

MINUTES OF THE REGULAR MEETING
OF THE
COMMISSIONERS OF THE CHICAGO HOUSING AUTHORITY

June 21, 2005

The Commissioners of the Chicago Housing Authority held its Regular Meeting on Tuesday, June 21, 2005, at 8:30 a.m. at the Schneider Apartments, 1750 West Peterson, Chicago, Illinois.

The meeting was called to order by the Chairperson, and upon roll call, those present and absent were as follows:

Present: Sharon Gist Gilliam
Hallie Amey
Earnest Gates
Dr. Mildred Harris
Michael Ivers
Lori Healey
Martin Nesbitt
Carlos Ponce
Sandra Young

Absent: Mary Wiggins

Also present were Terry Peterson, Chief Executive Officer; Gail Niemann, General Counsel; Chicago Housing Authority Staff Members and the General Public.

There being a quorum present, the meeting duly convened and business was transacted as follows:

Terry Peterson, Chief Executive Officer, then presented his monthly report. Per Mr. Peterson, on Monday, June 20th a press conference was held in Cabrini-Green to unveil a model of the Parkside Development that shows what the community will look like a few years from now when some of the high rises are replaced by mixed-income housing. According to Mr. Peterson, he was joined by elected officials, community leaders, and most important, residents – who all talked about a common vision for the area: a strong, healthy mixed-income community where public housing residents can live side-by-side with working families and professionals. Mr. Peterson continued by saying that the Parkside Development rehab work as well as rehab work for Washington Park Homes and some nearby scattered site properties was listed on the agenda for Board approval. Also on the agenda, are contracts for supportive services in Lake Park Crescent and the Wells area. Mr. Peterson concluded his report by requesting the support of the residents and public at large for his vision of creating an environment in which meaningful change can occur.

At approximately 8:45 a.m., Commissioner Lori Healey and Commissioner Martin Nesbitt joined the meeting in session.

The Chairperson then convened the Public Hearing portion of the meeting by inviting residents and the public at large to address the Board.

Immediately following the Public Hearing portion of the meeting, a Motion was introduced and seconded to adjourn to Executive Session. The Chairperson announced that pursuant to the Open Meetings Act, 5 ILCS 120/2, the Board would adjourn for approximately one (1) hour to discuss pending, probable or imminent litigation, collective negotiating matters, security and personnel matters.

The Commissioners subsequently reconvened in Open Session.

Chairperson Gilliam thereupon introduced the Resolution discussed in Executive Session. Commissioner Nesbitt then presented a Motion to approve Executive Session Item 1.

(Executive Session Item 1)

RESOLUTION NO. 2005-CHA-80

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated June 3, 2005 requesting that the Board of Commissioners approves the Personnel Actions Report for May 2005.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby approves the Personnel Actions Report for May 2005.

The Motion to adopt Executive Session Items 1 was seconded by Commissioner Amey and the voting was as follows:

Ayes:	Sharon Gist Gilliam
	Hallie Amey
	Earnest Gates
	Dr. Mildred Harris
	Michael Ivers
	Lori Healey
	Martin Nesbitt
	Carlos Ponce
	Sandra Young

Nays:	None
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The Chairperson thereupon declared said Motion carried and said Resolutions adopted.

Commissioner Young, Chairperson of the Tenant Services Committee, then presented her monthly report. Per Commissioner Young, the Tenant Services Committee held its regularly scheduled meeting on Wednesday, June 15 at the 626 W. Jackson Corporate Offices. Commissioner Young then introduced an Omnibus Motion for the adoption of Resolutions for Items A1 through A4 and A6 discussed, voted and recommended for Board approval by the Tenant Services Committee.

(Item A1)

In April 2005, a Request For Proposal was advertised in area newspapers to solicit marketing services to effectively communicate to families the opportunities and benefits available if they choose to return to Replacement Housing under the CHA Plan for Transformation. In addition, twenty-four firms were directly solicited. Three respondents were determined to be within the competitive range and were invited to make oral presentation. Based upon the evaluation of the written proposals, the oral presentations, and best and final offers, the evaluation committee recommended that Carolyn Grisko & Associates (CG&A) be awarded the contract. Accordingly, the resolution for Item A1 approves award of marketing contract to CG&A.

RESOLUTION NO. 2005-CHA-81

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated June 15, 2005, entitled "AUTHORIZATION TO ENTER INTO A CONTRACT WITH

CAROLYN GRISKO & ASSOCIATES, INC. TO PROVIDE MARKETING SERVICES FOR THE CHA'S REPLACEMENT HOUSING";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with Carolyn Grisko & Associates, Inc. to provide marketing services for the CHA's rehabilitated housing units and new mixed-income developments for a base term of one year in an amount not to exceed \$120,000 with a one year extension option, subject to Board approval.

(Item A2)

In September 2003, the Board approved a Contract with Lake Park Crescent I, LLC to provide community & supportive services (CSS) to the Lake Park Crescent Community. Typically, when implementing CSS in a given development, the CHA enters into a contract with the developer whereby the developer then directly subcontracts with a social service provider of its choice to provide these services. Despite extensive negotiations, CHA and LPC were unable to enter into a formal CSS Contract. On February 3, 2005, CHA's Sole Source/Non-Competitive Procurement Committee heard and subsequently approved the selection of Abraham Lincoln Center as a non-competitive procurement. As a result, the Resolution for Item A2 approves a contract award to the Abraham Lincoln Center to prevent an interruption in services for families in the screening process at Lake Park Crescent. Services will also focus on community integration, employment and other services to help families to maintain occupancy and continue to meet the site specific criteria at the Lake Park Crescent development.

RESOLUTION NO. 2005-CHA-82

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated June 15, 2005 entitled "AUTHORIZATION TO NEGOTIATE AND ENTER INTO A CONTRACT WITH ABRAHAM LINCOLN CENTRE TO PROVIDE COMMUNITY & SUPPORTIVE SERVICES TO THE LAKE PARK CRESCENT COMMUNITY";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby authorizes the Chief Executive Officer or his designee to negotiate and enter into a contract with Abraham Lincoln Centre for a term of twelve (12) months with a one (1) year option to provide community and supportive services to the Lake Park Crescent Community for an amount not to exceed \$353,353.00.

(Item A3)

The Resolution for Item A3 approves acceptance of a grant award from the Illinois State Board of Education and ratification of a contract to Open Kitchens for the 2005 Summer Food Program. The Summer Food Program is to extend the National Food Program through the summer vacation months to insure that boys and girls living in CHA developments receive the nutritional help needed for proper physical development. The Program will serve approximately 12,000 breakfast meals per day at approximately 145 sites at a cost of \$ 1.198 per meal and approximately 15,000 cold/hot lunches per day at approximately 145 sites at a cost of \$1.878 per meal. The meals will be served for two-hour periods, five days a week, in all developments at locations in community centers, social rooms, or facilities-site. There will also be approximately 70 special events during the duration of the program at which meals will be served. The program runs for 55 days and will begin June 20, 2005 and end September 3, 2005. The CHA advertised an Invitation for Bid (IFB) in April 2005 in area newspapers and directly solicited fifteen vendors including one MBE/WBE firm. Open Kitchens, Inc. was the sole respondent. The only response was due in part to few USDA certified kitchens in the Chicagoland area and few vendors meet all CHA requirements. The Procurement is, therefore, qualified as non-competitive due to the inadequate response to the solicitations.

RESOLUTION NO. 2005-CHA-83

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the Board Letter dated June 15, 2005 entitled: “AUTHORIZATION TO ACCEPT A GRANT FROM THE ILLINOIS STATE BOARD OF EDUCATION FOR THE SUMMER FOOD SERVICES PROGRAM AND RATIFICTION OF A CONTRACT WITH OPEN KITCHENS INC. FOR THE 2005 SUMMER FOOD SERVICES PROGRAM.”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, The Board of Commissioners authorizes the Chief Executive Officer or his designee to accept an Illinois State Board of Education Grant for the Summer Food Program in the amount of \$4,466,959.40 and ratifies a contract for the 2005 Summer Food Services Program with Open Kitchens, Inc., from June 20, 2005 to September 3, 2005 for a total amount not to exceed \$2,540,763.00.

(Item A4)

The resolution for Item A4 approves extension of Abt’s contract with the CHA to continue to provide assistance to the MAP Department in fulfilling its responsibilities within the requisite timeframes in the areas of technical assistance, document development, and training program development. During the past two years, Abt has provided the CHA with satisfactory service and has performed all tasks expected. Responsibilities have included the creation or amendment of resident documents, including admissions and continued occupancy policies, procedures, resident leases as well as training on various programs and documents for CHA residents and staff. Although Abt will increase the hourly rate of the principal associate for the one year option, their rates remain competitive.

RESOLUTION NO. 2005-CHA-84

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the memorandum dated June 15, 2005 entitled, “Authorization to Extend Contract No. 0365 with Abt Associates, Inc. for Consultant Services for Low Income Public Housing/Housing Choice Voucher Program Policies and Procedures.”

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute an amendment extending Contract No. 0365 with Abt Associates, Inc. (the “Contract”) for the period of May 28, 2005 to May 27, 2006 to provide consultant services for low-income public housing and housing choice voucher program policies and procedures to the CHA for an amount not-to-exceed \$90,000 pursuant to the Contract’s option to extend.

(Item A5 – THIS NUMBER NOT USED)

(Item A6)

The CHA currently has approximately 84,000 applicant records in multiple wait lists that have not been comprehensively updated since the Plan for Transformation Plan was implemented. The family/community wide wait list has been formally closed since March 15, 2001, to ensure that all current and former residents are housed in newly rehabilitated or constructed units as a first priority to the CHA. A couple of years ago, the CHA approved the enhancement of its electronic records system by upgrading from CCS to the YARDI system. This updated information will lead to more effective marketing and outreach efforts and activities, thereby decreasing the staff time and funds used to fill unit vacancies. Further, by updating the wait lists the CHA will be better enabled to conduct analyses to compare household needs in the applicant pool with our current and future housing stock. This update ensures compliance with the federal regulations and the CHA’s Admissions and Continued Occupancy Policy since wait list maintenance is a key component of the management, monitoring and auditing functions of the CHA’s wait list responsibilities. Accordingly, the Resolution for Item A6 approves award of contract to

Datum Direct Marketing for conducting the update of the family/community wide wait lists.

RESOLUTION NO. 2005-CHA -85

WHEREAS, the Board of Commissioners has reviewed Board Letter dated June 15, 2005, entitled “AUTHORIZATION TO AWARD CONTRACT TO DATUM DIRECT MARKETING FOR CONDUCTING THE UPDATE OF THE FAMILY/COMMUNITY WIDE PUBLIC HOUSING WAIT LISTS”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a contract with Datum Direct Marketing in the amount not-to-exceed \$328,808.10 for conducting the update of the family/community wide public housing wait lists. The contract shall take effect on the date of the Notice to Proceed, July 1, 2005 for a six-month period ending December 31, 2005. The award of this contract is subject to the Contractor’s compliance with the CHA’s MBE/WBE/DBE, Section 3 resident hiring, and insurance requirements.

The Omnibus Motion to adopt resolutions for Items A1 through A4 and A6 was seconded by Commissioner Young and the voting was as follows:

Ayes:	Sharon Gist Gilliam Hallie Amey Earnest Gates Dr. Mildred Harris Michael Ivers Lori Healey Martin Nesbitt Carlos Ponce Sandra Young
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Nays:	None
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There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Finance & Audit Committee report was also accepted in total.

Commissioner Gates, Chairperson of the Operations & Facility Committee, then presented the monthly report. Per Commissioner Gates, the Operations & Facility Committee held its regularly scheduled meeting on Wednesday, June 15, 2005, at approximately 1:30 p.m. at the 626 W. Jackson Corporate Offices. There were no presentations to come before the Committee.

Commissioner Gates then introduced an Omnibus Motion for adoption of resolutions for Items B1 through B6, discussed, voted and recommended for Board approval by the Operations Committee.

(Item B1

The resolution for Item B1 approves amendment to Contract No. 9376 with Consoer Townsend Envirodyne Engineers, Inc. (CTE) for additional Prime Design Consultant (PDC) services at the Larrabee Apartments (IL2-071) Senior housing property at 1845 N. Larrabee. In July of 2000, the CHA executed Contract No. 9376 with Consoer Townsend Envirodyne Engineers, Inc. (CTE) for Prime Design Consultant (PDC) services on the full renovation at Larrabee Apartments. In 2005, the CHA negotiated an Amended and Restated contract with CTE. As part of CTE’s original scope of work, CTE was required to prepare the Construction Documents for the rehabilitation of Larrabee Apartments. These Construction Documents, including drawings and specifications, were completed in 2001. The rehabilitation of Larrabee Apartments was advertised and bid, but the procurement was eventually cancelled and the work was never started. The CHA anticipates that the full renovation of Larrabee Apartments will move forward in early 2006. In order to move

forward with that solicitation in sufficient time to meet unit completion goals for FY 2006, CTE will need to begin work on the full set of Construction Documents by mid-July of 2005.

RESOLUTION NO. 2005-CHA-86

WHEREAS, the Board of Commissioners has reviewed Board Letter dated May 11, 2005, entitled “AUTHORIZATION TO AMEND CONTRACT NO. 9376 WITH CONSOER TOWNSEND ENVIRODYNE ENGINEERS, INC. (CTE) FOR THE PROVISION OF PRIME DESIGN CONSULTANT SERVICES AT LARRABEE APARTMENTS (IL2-071)”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designee to amend Contract No. 9376 with Consoer Townsend Envirodyne Engineers, Inc. to increase it’s funding by \$394,071.00 for Prime Design Consultant services at Larrabee Apartments (IL2-071). The new total contract amount for Contract No. 9376 will be \$2,952,011.00.

This award is subject to the Contractor’s compliance with the CHA’s MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

(Item B2)

In March 2005, the CHA advertised an Invitation for Bid for interior demolition, asbestos abatement, mold remediation, and cleaning at Flannery Senior Apartments (IL2-042F) – Building 2. The IFB was advertised in area newspapers and faxes were sent to eighteen firms, including seven M/W/DBE firms. The CHA received and opened six bids. As part of the pre-award survey, the Department of Procurement and Contracts (“DPC”) determined that the apparent low bidder’s submittal was non-responsive due to the bidder’s failure to include the required Bid Bond. DPC then determined that the lowest responsive and responsible bidder was HLF with a bid of \$1,398,800.00. Accordingly, the resolution for Item B2 approves award of contract to HLF. HLF will perform selective demolition to portions of the interior of the building. This work will include the demolition and removal of mechanical equipment, piping services, ductwork, plumbing fixtures, hot water heating piping, steam and condensate piping. The required asbestos abatement will include removal and proper disposal of all specified asbestos containing and contaminated materials, including pipe insulation, pipe fittings, fixture caulk, window caulk, asbestos containing fire doors, and floor tile and mastic. Mold remediation will be done throughout all of the units. The Contractor will conduct final cleaning and waste-removal operations both within the building and on the project site, in order to leave both clean and ready for construction.

RESOLUTION NO. 2005-CHA-87

WHEREAS, the Board of Commissioners has reviewed Board Letter dated June 15, 2005 entitled “AUTHORIZATION TO EXECUTE A CONTRACT WITH H.L.F. CONSTRUCTION COMPANY FOR INTERIOR DEMOLITION, ASBESTOS ABATEMENT, MOLD REMEDIATION, AND CLEANING AT FLANNERY SENIOR APARTMENTS (IL2-042F) – BUILDING 2”;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT that the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a contract with H.L.F. Construction Company in the amount of \$1,398,800.00 for interior demolition, asbestos abatement, mold remediation, and cleaning at Flannery Senior Apartments (IL2-042F) – Building 2, 1507 N. Clybourn. The term of the contract is two hundred seventy (270) calendar days from receipt of the Notice to Proceed. This award is subject to the Contractor’s compliance with the CHA’s MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

(Item B3)

The CHA advertised an Invitation for Bid in April 2005 for electrical system upgrades at Lake Parc Place Apartments, 3939 S. Lake Park Avenue (IL2 -014) and 3983 So. Lake Park Avenue (IL2-026). The IFB was advertised in area newspapers and on the CHA website. The CHA also faxed flyers on April 18, 2005 to sixteen firms, including nine M/W/DBE firms. Of the six bids received and opened, the lowest responsive and responsible bidder was determined to be General Building & Maintenance Company. The selected contractor will perform general work on the two (2) high rise buildings to include the following: installation of new air conditioner units in the bedrooms, installation of emergency generators, installation of a new exit door, and some general building improvements.

RESOLUTION NO. 2005-CHA-88

WHEREAS, the Board of Commissioners has reviewed Board Letter dated June 15, 2005 entitled "AUTHORIZATION TO EXECUTE CONTRACT WITH GENERAL BUILDING & MAINTENANCE COMPANY FOR ELECTRICAL SYSTEM UPGRADES AT LAKE PARC PLACE APARTMENTS (IL2-014 & IL2-026)";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT that the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a contract with General Building & Maintenance Company in the amount of \$656,655.00 to perform electrical system upgrades at Lake Parc Place Apartments, 3939 S. Lake Park Avenue (IL2 -014) and 3983 So. Lake Park Avenue (IL2-026). The term of the contract will be two hundred and ten (210) calendar days from receipt of the Notice to Proceed. This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

(Item B4)

An IFB was advertised in area newspapers and the CHA website in April 2005 for the family housing rehabilitation at Washington Park Homes and Washington Park Scattered Sites. This work represents Phase 3 of the ongoing rehabilitation of the Washington Park properties. The CHA also faxed flyers on April 14, 2005 to twenty three firms, including twelve M/W/DBE firms. Of the six bids received and opened, the lowest responsive and responsible bidder was determined to be H. L. F. Construction Company, Inc. Accordingly, the resolution for Item B4 approves award of contract to HLF Construction Company. H.L.F. will be awarded all three (3) clusters of buildings scheduled for renovation under this solicitation. The contract will begin upon receipt of the Notice to Proceed, and all work is to be completed by December 15, 2005. The Scope of Work includes, but is not limited to, the rebuilding, repairs and/or replacement of masonry walls, roofing and drainage, new double hung windows, entry doors, stoops and site walks, landscaping, and parking lots. Interior work will include the complete renovation of all interior dwelling Units and common areas. New appliances and plumbing fixtures will be installed. Buildings will receive new electrical systems, through-wall air conditioners in each Unit, and new heating systems. Each Unit will be wired for multiple telephone service connections and cable television connections.

RESOLUTION NO. 2005-CHA-89

WHEREAS, the Board of Commissioners has reviewed Board Letter dated June 15, 2005 entitled "AUTHORIZATION TO EXECUTE A CONTRACT WITH H.L.F. CONSTRUCTION COMPANY FOR THE FAMILY HOUSING REHABILITATION AT WASHINGTON PARK HOMES (IL2-034 LR) AND WASHINGTON PARK SCATTERED SITES (IL2-054 LR)";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT that the Board of Commissioners authorizes the Chief Executive Officer or his designee to execute a contract with H.L.F. Construction Company in the amount of \$4,752,681.00 for the Family housing rehabilitation at

Washington Park Homes (IL2-034 LR) and Washington Park Scattered Sites (IL2-054 LR). H.L.F. The contract will begin upon receipt of the Notice to Proceed, and all work is to be completed by December 15, 2005. This award is subject to the Contractor's compliance with the CHA's MBE/WBE/DBE, Section 3 resident hiring, and bonding and insurance requirements.

(Item B5)

The Stateway Associates, LLC team was the successful respondent pursuant to the 2000 RFQ solicitation issued by CHA and Habitat for the redevelopment of the Stateway Gardens site. HUD has indicated that since a competitive process was engaged to procure the Stateway Gardens Redevelopment Team as identified in the Plan approved by HUD, and since the engineered barrier approach to remediation involves construction elements to be performed post-closing, there is justification to enter into an environmental remediation contract with the Parties. Accordingly, the resolution for Item B5 approves award of contract to Stateway Associates, LLC, to perform remediation activities in support of the Stateway Gardens Redevelopment Phase 1B (also known as Park Boulevard). The following benefits to the project will be realized: (1) continuity of schedule; (2) continuity of activity; and (3) economy of scale.

RESOLUTION NO. 2005-CHA-90

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated, June 15, 2005, "AUTHORIZATION TO ENTER INTO A CONTRACT WITH STATEWAY ASSOCIATES, LLC, PARK BOULEVARD 1B, LLC and PARK BOULEVARD 1B, FOR ENVIRONMENTAL REMEDIATION ACTIVITIES AT STATEWAY GARDENS PHASE 1B REDEVELOPMENT AREA"

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a contract with Stateway Associates, LLC an Illinois limited liability company, and Park Boulevard 1B, LLC, an Illinois limited liability company, (jointly and severally, the "Developer"), and Park Boulevard 1B, an Illinois limited partnership ("Owner Entity") (collectively referred to as the "Parties"), for a total contract amount not to exceed \$4,190,750.00 (which represents 200% of the estimated remediation cost for the Stateway Gardens Phase 1B Redevelopment Area) to perform remediation activities in support of the Stateway Gardens Phase 1B Redevelopment Area (also known as "Park Boulevard"). The term of the contract shall be the earlier of: receipt of the final "No Further Remediation" letter from the Illinois Environmental Protection Agency with regards to the Stateway Gardens Phase 1B Redevelopment Area, or two years with a one year extension, subject to approval of the CHA's Board of Commissioners approval and if required, HUD approval.

(Item B6)

The resolution for Item B6 approves submittal of a Mixed Finance Proposal to HUD for the Stateway Gardens Phase 1B Redevelopment Project known as Park Boulevard. Park Boulevard-Phase 1B represents the first on-site phase of the Stateway Gardens Master Revitalization Plan. ("The Pershing", another development project which is near completion, is the first off-site development for Stateway Gardens.) This first on-site phase of development will be developed on the northern portion of the Stateway Gardens site between 35th St. to the south alley of the new 36th St. and State St. west to the Metra Track embankment. The Master Developer is Stateway Associates, LLC, a joint venture between affiliates of Mesa Development LLC, Neighborhood Rejuvenation Partners, L.P., Walsh Construction Company of Illinois and Kimball Hill Development Company. Park Boulevard-Phase 1B is expected to be built in three (3) sub-phases and will provide 311 diverse housing opportunities, consisting of 211 for-sale units and 100 public housing replacement units. There are 39 different buildings designed by seven different architectural firms that create an aesthetically pleasing and diverse Chicago neighborhood. The housing type mix includes mid-rise condominiums, townhomes, duplex-over-duplex, flats and single-family homes all with 1:1 parking. All PHA units are evenly distributed

within all building types and within the site (except for the twelve (12) single family homes where the CHA-owned land will be conveyed in fee-simple to the developer per sub-development phase via quitclaim deed with the appropriate recapture provisions). There will also be a need to execute several different rental and for-sale ground leases including one ground lease that incorporates ground level retail space along the 35th Street frontage. The for-sale housing units will be financed through a conventional construction loan. The public housing units will be financed by a combination of capital funds from CHA and equity generated by syndication of low income housing tax credits (LIHTC) and Illinois donation tax credits. Tax-exempt bonds will be used during the construction to generate 4% LIHTC. Site and infrastructure improvements will be financed by Tax Increment Financing (TIF) assistance. The project will be constructed in three (3) sub-phases and the transaction documents will include mechanisms that protect the interests of HUD, CHA and the public housing residents. A percentage of the gross proceeds from for-sale receipts (4% for condominium units and 7% for fee-simple single family homes) will be deposited in an escrow controlled by the Regulatory and Operating Agreement that will be used to supplement available public housing dollars and to be used to benefit the residents of public housing units.

RESOLUTION NO. 2005-CHA-91

WHEREAS, the Board of Commissioners has reviewed the Board Letter dated June 21, 2005, requesting authorization to: 1) submit a Mixed Finance Proposal to HUD for the Stateway Gardens Phase 1B redevelopment project (to be known as Park Boulevard); 2) commit CHA's capital contribution in an amount up to \$ 15 million to the Stateway Gardens Phase 1B redevelopment project; and 3) execute all other documents including, but not limited to, a quitclaim deed per sub-development phase for the CHA-owned land to be conveyed in fee simple to the developer, rental and for-sale ground leases, a regulatory and operating agreement providing operating subsidy to the development for the operation of the public housing units and various other financing documents as necessary to implement the foregoing.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) submit a Mixed Finance Proposal and evidentiary documents to HUD for the Stateway Gardens Phase 1B redevelopment project (to be known as Park Boulevard); 2) commit CHA's capital contribution in an amount up to \$ 15 million to the Stateway Gardens Phase 1B redevelopment project; and 3) execute all other documents including, but not limited to, a quitclaim deed per sub-development phase for the CHA-owned land to be conveyed in fee simple to the developer, rental and for-sale ground leases, a regulatory and operating agreement providing operating subsidy to the development for the operation of the public housing units and various other financing documents as necessary to implement the foregoing.

(Item B7)

The resolution for Item B7 approves execution of a contract for the redevelopment of Cabrini-Green Extension North. The Cabrini-Green Consent Decree dated August 25, 2000 between CHA, The City of Chicago, and Cabrini Green Local Advisory Council calls for the redevelopment of Cabrini Extension North in accordance with the following percentages: 30% public housing, 20% affordable housing, and 50% market rate housing. Consistent with the Consent Decree, the proposed Contract for Redevelopment of Cabrini-Green Extension North calls for the development of a mixed-income community of approximately 718 units, including 402 rental units and 316 homeownership units, to be known as "Parkside of Old Town". The Development Agreement provides that 215 units be public housing, 144 units be affordable, and 359 units be market rate, also consistent with the Consent Decree. The development of Parkside of Old Town will take place in two phases. Phase I includes the development of 360 units of which approximately 100 units will be public housing units, 63 units will be affordable, and 197 units will be market rate. The unit breakdown between homeownership and rental units is 187 and 173, respectively. Phase II includes 358 units of which approximately 115 units will be public housing, 81 units will be affordable, and 162 units will be market rate. The unit

breakdown between homeownership and rental is 129 units and 229 units, respectively. Under the proposed Development Agreement, Parkside Associates, LLC will be responsible for assembling financing and managing the development, construction and lease-up process. The CHA and Receiver are committing an amount not to exceed \$21,500,000 for activities under the Development Agreement, consisting of 1994 HOPE VI Revitalization Grant funds, development funds and/or capital funds. The proposed Development Agreement also provides that CHA and Receiver will offer predevelopment loans to Parkside Associates, LLC in amounts not to exceed 75% of eligible third party predevelopment costs consistent with HUD cost control guidelines and regulations

RESOLUTION NO. 2005-CHA-92

WHEREAS, the Board of Commissioners has reviewed the Board letter dated June 15, 2005 requesting authorization to enter into a Contract for Redevelopment of Cabrini-Green Extension North and provide predevelopment loans with and to Parkside Associates, LLC for the development of the Cabrini-Green Extension North development site.

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to enter into a Contract for Redevelopment of Cabrini-Green Extension North (substantially in the form attached) with the development team of Parkside Associates, LLC, an Illinois limited liability company comprised of Holsten Real Estate Development Corporation, Kimball Hill Urban Centers Chicago One, LLC, and Cabrini Green LAC Community Development Corporation for development of the Cabrini-Green Extension North site, and provide predevelopment loans for up to 75% of eligible third party predevelopment costs pursuant to the terms of the Development Agreement and consistent with U.S. Department of Housing and Urban Development cost control guidelines and regulations

(Item B8)

Due to the initiation of retail electricity competition in Illinois, various electricity brokers were able to enter into the electricity market and provide competitive rates for providing electricity where ComEd formerly was the sole provider. In August 2003, the CHA entered into Contract # 0456 with Constellation NewEnergy, Inc. to provide all of CHA's electricity requirements for a twenty-one (21) month period. During this time, CHA has obtained all of its electricity supply requirements from Constellation NewEnergy through a combination of fixed and variable rate plans for CHA facilities. The agreement that was entered into in August 2003 did not specify rates for the contingent third year option. Constellation NewEnergy recently proposed fixed pricing for the option year at a rate that was higher on average than the original fixed pricing arrangements, due to historically higher market prices for electricity. The prevailing market rates for electricity have significantly increased during the time CHA rates and pricing terms were originally locked in with Constellation NewEnergy. In order to adjust for the costs of future new accounts and increased energy prices, it was determined that fifty-seven (57) accounts, comprised of various small accounts and all of the CHA's high-volume accounts, should return to ComEd's bundled rates and CHA be directly billed by ComEd. Accordingly, the Resolution for Item B8 approves the first year option of contract with Constellation New Energy and ratifies the transfer of 57 accounts to ComEd.

RESOLUTION NO. 2005-CHA-93

WHEREAS, The Board of Commissioners of the Chicago Housing Authority has reviewed the

Board Letter dated June 15, 2005, entitled "Authorization To Exercise The First Year Option Of Contract No. 0456 With Constellation New Energy And To Ratify The Transfer Of 57 Accounts To ComEd For CHA's Electricity Requirements";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT, the Board of Commissioners hereby authorizes the Chief Executive Officer or his

designee to exercise the first one-year option with Constellation NewEnergy for twenty-four (24) designated electricity accounts, in an amount not-to-exceed \$600,000.00, and to ratify the transfer of fifty-seven (57) designated accounts to Commonwealth Edison's bundled rates.

The Omnibus Motion to adopt resolutions for Items B1 through B8 was seconded by Commissioner Ivers and the voting was as follows:

Ayes: Sharon Gist Gilliam
Hallie Amey
Earnest Gates
Dr. Mildred Harris
Michael Ivers
Lori Healey
Martin Nesbitt
Carlos Ponce
Sandra Young

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Operations Committee report was also accepted in total.

Commissioner Nesbitt, Chairperson of the Finance & Audit Committee then presented the monthly Committee report. Per Commissioner Nesbitt, the Finance & Audit Committee meeting was held on Wednesday, June 15, 2005. The Chief Financial Officer and her staff presented the committee with the Treasury and Cash Flow Report as of May 31, 2005.

Commissioner Nesbitt then presented an Omnibus Motion for the approval of the resolutions for Item C1 thru C6, discussed, voted and recommended for approval by the Finance & Audit Committee.

(Item C1)

The resolutions for Items C1 approves the formation of Loomis Courts LLC and C/S Loomis Limited Partnership and approves the documents and related actions needed to close the transaction for the rehabilitation of Loomis Courts. Loomis Courts consists of two family buildings located at 1314 and 1342 West 15th Street in Chicago, Illinois. The buildings were constructed in 1951 and are seven-stories high with a full basement and rooftop penthouse. Each building encompasses approximately 52,180 gross square feet. Buildings 1314 and 1342 each contain 63 units for a total of one-hundred and twenty-six (126) units. The proposed renovation of Loomis Courts will require extensive interior demolition as all existing floor finishes, plumbing, mechanical, and electrical systems will be replaced in their entirety. All potable water and sanitary sewer piping systems will be replaced and will require the demolition of select plumbing wall partitions in every unit. All bathroom and kitchen plumbing fixtures will be replaced during the renovation. To make possible the closing of the Loomis Courts transaction, Loomis Courts LLC and C/S Loomis Limited Partnership) have been formed.

RESOLUTION NO. 2005-CHA-94

WHEREAS, the Chicago Housing Authority (the "Authority") is a municipal corporation and body politic and corporate organized and validly existing under the laws of the State of Illinois, including without limitation the Housing Authorities Act, 310 ILCS 10/1 *et. seq.*, as amended (the "Act"); and

WHEREAS, the Authority currently owns and operates Loomis Courts, a 126-unit housing property (the "Property"), located at 1314-42 West 15th Street, in the City of Chicago (the "City"); and

WHEREAS, the Property was originally acquired, constructed and equipped by the Authority using a combination of state and local funds; and

WHEREAS, in 1979, the Authority entered into a Housing Assistance Payments Contract (the "Original Section 8 Contract") with the United States Department of Housing and Urban Development ("HUD") providing for the substantial rehabilitation of the Property by the Authority and the payment of housing assistance payments by HUD to the

Authority with respect to the Property for a period of 20 years; and
 WHEREAS, upon expiration of the Original Section 8 Contract, the Authority and HUD entered into a Housing Assistance Payments Basic Renewal Contract with respect to the Property for the period October 1, 2000 to September 30, 2005 (the “Section 8 Renewal Contract”); and
 WHEREAS, notwithstanding the availability of funds under the Section 8 Renewal Contract, adequate funds have not been available to the Authority to provide proper maintenance and repair, resulting in the receipt from HUD of substandard physical assessment scores with respect to the Property; and
 WHEREAS, after considering a number of alternative methods to finance the rehabilitation of the Property, it was determined by the Authority to be necessary and advisable to sell and transfer the Property to a limited partnership legally capable of raising needed funds under the low-income housing tax credit program pursuant to the provisions and requirements of Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”); and
 WHEREAS, since 1986, as other federal low-income housing programs have been reduced or eliminated, the federal low-income housing tax credit program has remained a critical component of the federal government’s assistance of affordable housing in the United States; and
 WHEREAS, the United States Congress in the United States Housing Act of 1937, as amended, has encouraged local housing agencies such as the Authority to form affiliated entities in order to take advantage of the financial benefit provided by the federal low-income housing tax credit program; and
 WHEREAS, pursuant to Board Resolution 2005-CHA-24, (a) C/S Loomis Courts Limited Partnership, an Illinois limited partnership has been formed to own and operate the Property so as to be able to benefit from the availability of low-income housing tax credits and FHA mortgage insurance, and (b) Loomis Court LLC, an Illinois limited liability company, has been formed to serve as the general partner of that limited partnership; and
 WHEREAS, FHA mortgage insurance requires that a separate special purpose borrowing entity be established with respect to any FHA-insured mortgage loan; and
 WHEREAS, Section 2 of the Act provides that the Authority shall have all powers necessary or appropriate in order to engage in the rehabilitation, development and redevelopment of projects; and
 WHEREAS, Section 8 of the Act provides that the Authority shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Act; and
 WHEREAS, Section 26 of the Act provides that it is the purpose and intent of the Act to authorize the Authority to do any and all things necessary or desirable to secure the financial aid or cooperation of the Federal government in the purchasing, acquiring, constructing, maintaining, operating, improving, extending and repairing of housing projects; and
 WHEREAS, as provided in Section 10/9 of the Act, the sale and transfer of the Property has been approved in writing by the Illinois Department of Commerce and Economic Opportunity (formerly, the Illinois Department of Commerce and Community Affairs);
 NOW THEREFORE, Be It Resolved, by the Board of Commissioners of the Chicago Housing Authority:

PART I

Formation of LLC and LP

Section 1.01 Formation of LLC. The formation of Loomis Courts LLC, an Illinois limited liability company (the “General Partner”), of which the Authority is the sole member is hereby ratified and confirmed in all respects. The Chief Executive Officer and the Chief Financial Officer of the Authority (the “Designated Officers”) are hereby authorized to take all actions necessary to maintain the status of the General Partner as a limited liability company under the laws of the State of Illinois.

Section 1.02 Operating Agreement. The form of LLC Operating Agreement presented to this meeting and attached hereto as Exhibit A is approved in substantially the form presented to this meeting.

Section 1.03 Formation of LP. The formation of C/S Loomis Courts Limited Partnership, an Illinois limited partnership (the “Owner”), is hereby ratified and confirmed in all respects.

Section 1.04 Partnership Agreement. The original form of Partnership Agreement presented to this meeting and attached hereto as Exhibit B (the “Partnership Agreement”) is approved in substantially the form presented to this meeting. An amended and restated

partnership agreement, in the form approved by the Designated Officers, providing for the replacement of the original limited partner with one or more investor limited partners, is also hereby approved. The Chief Executive of the Authority is hereby authorized to execute and deliver the Partnership Agreement on behalf of the General Partner.

Section 1.05 Development Agreement. The form of Development Agreement presented to this meeting and attached hereto as Exhibit C is approved in substantially the form presented to this meeting. The Chief Executive of the Authority is hereby authorized to execute and deliver the Development Agreement on behalf of the Owner as well as on behalf of the General Partner (not as general partner of the Owner, but as an independent contractor).

Section 1.06 No liability of the Authority. The debts, obligations and undertakings of the General Partner and the Owner shall be payable and/or satisfied solely from the assets and resources of the General Partner and the Owner, as applicable, and neither the Authority, the State of Illinois, the City or any other political subdivision of the State of Illinois shall be liable or responsible, directly or indirectly, for the payment or satisfaction of any such debt, obligation or undertaking, or for the performance of any pledge, obligation, or agreement of any kind whatsoever of the General Partner or the Owner.

Section 1.07 No Recourse. No recourse shall be had for the payment or satisfaction of any debt, obligation or undertaking of the General Partner or the Owner against any commissioner, member, officer, employee, agent, counsel or director, as such, past, present or future, of the Authority, to the maximum extent permitted by law, whether by virtue of any constitution, statute, ordinance or rule of law, or otherwise.

PART II

Approval of Purchase of Property

Section 2.01 Purchase of Property. The purchase of the Property by the Owner for a purchase price of not less than \$2,970,000 is hereby approved in all respects.

Section 2.02 Master Real Estate Sale Contract. The form of Master Real Estate Sale Agreement with respect to the Property (the "Master Real Estate Sale Contract") presented to this meeting and attached hereto as Exhibit D is approved in substantially the form presented to this meeting, and the General Partner on behalf of the Owner is authorized to execute and deliver the Master Real Estate Sale Agreement in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officer of the Authority executing the same, his or her approval to constitute conclusive evidence of this Board's approval of such changes and revisions.

Section 2.03 Acceptance of Assignment of Section 8 Contract. The form of Assignment of Section 8 Contract with respect to the Property presented to this meeting and attached hereto as Exhibit E is approved in substantially the form presented to this meeting, and the General Partner on behalf of the Owner is authorized to execute and accept delivery of the Assignment of Section 8 Contract in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the person executing the same, his or her approval to constitute conclusive evidence of this Board's approval of such changes and revisions. The General Partner of the owner is authorized to renew the Section 8 Contract as authorized by HUD.

Section 2.04 Approval of Right of First Refusal Agreement. The form of Right of First Refusal Agreement with respect to the Property presented to this meeting and attached hereto as Exhibit F is approved in substantially the form presented to this meeting, and the General Partner on behalf of the Owner is authorized to execute and deliver the Right of First Refusal Agreement in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the person executing the same, their approval to constitute evidence of this Board's approval of such changes and revisions.

PART III

Additional Approvals

Section 3.01 Development and Management of Property. The development and management of the Property by the Owner is hereby approved. In order to accomplish those purposes, the Owner shall execute and deliver appropriate instruments and documents, including but not limited to, the construction contract, architect's agreement and appropriate management agreement. FHP Tectonics Corporation is hereby approved to act as general contractor. Urban Property Associates is hereby approved to act as property manager.

Section 3.02 Loan Transactions. In order to finance the costs of rehabilitating and equipping the Property, the loan transactions described on Exhibit G attached hereto are hereby approved.

Section 3.03 Approval of Loan Documentation. In order to evidence and secure the loan transactions described on Exhibit G, the Owner shall execute and deliver appropriate documents, instruments, mortgages and security instruments as may be required by the applicable lender subject to the limitations set forth in Exhibit G.

Section 3.04 Tax-exempt Financing. It is recognized that the FHA-insured Mortgage Loan and the Bank of America Bridge Loan will be funded by CHA bonds and a CHA note, the interest on which is exempt from federal income taxation under Section 142 of the Internal Revenue Code of 1986, as amended. The Owner shall execute and deliver such documents and instruments as shall be required to support the tax-exempt status of such CHA obligations.

PART IV
Miscellaneous

Section 4.01 Immunity of Officers, Employees and Members of Authority. No recourse shall be had upon any obligation, covenant or agreement in this Resolution contained against any past, present or future commissioner, officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute, ordinance or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such commissioners, officers, directors, members, employees or agents as such is expressly waived and released by this Resolution as a condition of and consideration for the passage of this Resolution.

Section 4.02 Performance Provisions. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the Authority under and pursuant to this Resolution and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution, including, but not limited to, the exercise of any power or authority delegated to such official of the Authority under this Resolution, but subject to any limitations on or restrictions of such power or authority as herein set forth. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority and the other officers, agents and employees of the Authority are hereby further authorized, empowered and directed for and on behalf of the Authority, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this Resolution or to evidence said authority.

Section 4.03 Severability. It is the intention of this Board that, if any Article, Section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such Article, Section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

Section 4.04 Prior Inconsistent Resolutions. If any provision of this Resolution is in conflict with or inconsistent with any resolutions or parts of resolutions or the proceedings of the Authority in effect as of the date hereof, the provisions of this Resolution shall supersede any conflicting or inconsistent provision to the extent of such conflict or inconsistency.

Section 4.05 Effective Date. This Resolution shall be in full force and effect immediately upon its passage as by law provided.

EXHIBIT G
Schedule of Loan Transactions

<u>Loan Source</u>	<u>Lien Status</u>	<u>Maximum Amount</u>	<u>Maximum Term</u>	<u>Maximum Interest Rate</u>
FHA-Insured Loan	First Mortgage	\$6,199,820	45 years	7%
Bank of America Bridge Loan	Second Mortgage	\$1,999,830	5 years	Statutory Maximum
CHA Seller Financing	Third Mortgage	\$3,630,000	45 years	AFR
CHA Loan	Fourth Mortgage	\$5,411,530	45 years	0%
CHA/DCEO Loan	Fifth Mortgage	\$2,000,000	45 years	0%

(Item C2)

The resolution for Item C2 approves the Financing Plan and Related Financing Documents needed to close the transaction for the rehabilitation of Loomis Courts. To facilitate the renovation of Loomis Courts, a multi-tiered financing approach will be utilized. The CHA will sell the Loomis Courts property to the tax-credit limited partnership (the “Owner”), and assign to Owner the related Housing Assistance Payments contract and certain other contracts related to the transaction. CHA will finance the purchase price through seller financing. CHA will issue tax-exempt bonds and a tax-exempt note. A portion of the bonds will be collateralized with CHA funds, and interest earned on such funds will also be made available to the project. CHA will also lend funds from its insurance reserve and from its DCEO grant (or an alternative source(s)). Other sources in this financing plan include tax credit equity and deferred developer fee.

FINANCING RESOLUTION NO. 2005-CHA-95

WHEREAS, the Chicago Housing Authority (the “Authority”) is a municipal corporation and body politic and corporate organized and validly existing under the laws of the State of Illinois, including without limitation the Housing Authorities Act, 310 ILCS 10/1 *et. seq.*, as amended (the “Act”); and

WHEREAS, the Authority currently owns and operates Loomis Courts, a 126-unit housing property (the “Property”), located at 1314-42 West 15th Street, in the City of Chicago (the “City”); and

WHEREAS, the Property was originally acquired, constructed and equipped by the Authority using a combination of state and local funds; and

WHEREAS, in 1979, the Authority entered into an Housing Assistance Payments Contract (the “Original Section 8 Contract”) with the United States Department of Housing and Urban Development (“HUD”) providing for the substantial rehabilitation of the Property by the Authority and the payment of housing assistance payments by HUD to the Authority with respect to the Property for a period of 20 years; and

WHEREAS, upon expiration of the Original Section 8 Contract, the Authority and HUD entered into a Housing Assistance Payments Basic Renewal Contract with respect to the Property for the period October 1, 2000 to September 30, 2005 (the “Section 8 Renewal Contract”); and

WHEREAS, notwithstanding the availability of funds under the Section 8 Renewal Contract, adequate funds have not been not available to the Authority to provide proper maintenance and repair, resulting in the receipt from HUD of substandard physical assessment scores with respect to the Property; and

WHEREAS, after considering a number of alternative methods to finance the rehabilitation of the Property, it was determined by the Authority to be necessary and advisable to sell and transfer the Property to a limited partnership legally capable of raising needed funds under the low-income housing tax credit program pursuant to the provisions and requirements of Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, since 1986, as other federal low-income housing programs have been reduced or eliminated, the federal low-income housing tax credit program has remained a critical component of the federal government’s assistance of affordable housing in the United States; and

WHEREAS, the United States Congress in the United States Housing Act of 1937, as amended, has encouraged local housing agencies such as the Authority to form affiliated entities in order to take advantage of the financial benefit provided by the federal low-income housing tax credit program; and

WHEREAS, C/S Loomis Courts Limited Partnership, an Illinois limited partnership (the “Owner”), has been formed to own and operate the Property so as to be able to benefit from the availability of low-income housing tax credits and FHA mortgage insurance; and

WHEREAS, Loomis Courts LLC, an Illinois limited liability company (the “General Partner”) has been formed to serve as the general partner of the Owner; and

WHEREAS, a determination has been made by the Authority that the Property constitutes “multifamily rental housing” within the meaning of the Act and the financing thereof will meet the public purposes of the Act; and

WHEREAS, pursuant to the provisions of the Act and the Local Government Debt Reform Act, 30 ILCS 305/1 *et seq.* (the “Debt Reform Act”), the Authority is authorized to issue its notes and bonds for the purposes provided herein; and

WHEREAS, the Authority will lend certain moneys to the Owner as described in Part I below; and

WHEREAS, the Authority will lend certain moneys derived from the Illinois Department of Commerce and Economic Opportunity (“DCEO”) as described in Part II below; and

WHEREAS, the Authority will sell the Property to Owner and make a loan to the Owner to finance a portion of the purchase price of the Property, as described in Part III below; and

WHEREAS, the Authority will issue the Bonds and the Note as described in Part II below;

NOW THEREFORE, Be It Resolved, by the Board of Commissioners of the Chicago Housing Authority:

PART I

Approval of Sale of Property and CHA Financing to Owner

Section 1.01 Sale and Transfer of Property. The sale and transfer of the Property to the Owner for a purchase price of not less than \$2,970,000 is hereby approved in all respects.

Section 1.02 Master Real Estate Sale Contract. The form of Master Real Estate Sale Agreement with respect to the Property (the “Master Real Estate Sale Contract”) presented to this meeting and attached hereto as Exhibit A is approved in substantially the form presented to this meeting, and the Designated Officers of the Authority are authorized to execute and deliver the Master Real Estate Sale Agreement on behalf of the Authority in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officer of the Authority executing the same, his or her approval to constitute conclusive evidence of this Board’s approval of such changes and revisions.

Section 1.03 Assignment of Section 8 Contract. The form of Assignment of Section 8 Contract with respect to the Property presented to this meeting and attached hereto as Exhibit B is approved in substantially the form presented to this meeting, and the Designated Officers of the Authority are authorized to execute and deliver the Assignment of Section 8 Contract on behalf of the Authority in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officer of the Authority executing the same, his or her approval to constitute conclusive evidence of this Board’s approval of such changes and revisions. The Designated Officers are authorized to renew the Section 8 Contract as authorized by HUD.

Section 1.04 Approval of CHA Seller Financing Loan. As provided in the Master Real Estate Sale Agreement attached hereto as Exhibit A, the Authority shall provide seller financing to the Owner. To evidence the obligation of the Owner to pay the purchase price of the Property to the Authority, the Owner shall execute and deliver a promissory note, in an amount not to exceed \$3,630,000 and bearing interest at the Applicable Federal Rate (as defined in the Internal Revenue Code of 1986) for a term not to exceed 45 years. To secure the obligation of the Owner under the note, the Owner shall execute and deliver a subordinate mortgage on the Property.

Section 1.05 Approval of CHA Loan. The Authority shall make a loan to the Owner. To evidence the obligation of the Owner to repay the loan to the Authority, the Owner shall execute and deliver one or more promissory notes, in an aggregate amount not to exceed \$5,411,530 and bearing interest at zero percent per annum for a term not to exceed 45 years. To secure the obligation of the Owner under the note, the Owner shall execute and deliver one or more subordinate mortgages on the Property and other security documents. The aggregate amount of such loan for this and the other two City/State projects that will be funded from insurance fund moneys shall not exceed \$10,000,000.

Section 1.06 Approval of CHA Loan of DCEO Moneys. The Authority may, if so determined by the Chief Executive Officer, make a loan to the Owner out of or otherwise apply money it receives from the Illinois Department of Commerce and Economic Opportunity (“DCEO”). To evidence the obligation of the Owner to repay any such loan to the Authority, the Owner shall execute and deliver a promissory note, in an amount not to exceed \$2,000,000 and bearing interest at zero percent per annum for a term not to exceed 45 years. To secure the obligation of the Owner under any such note, the Owner shall execute and deliver a subordinate mortgage on the Property and other security documents.

PART II

Approval of Bond and Note Financing

Section 2.01 Forms of Bond Documents. There have been presented to this Board forms of the following documents (such documents collectively referred to as the “Bond Documents”):

<u>Exhibit</u>	<u>Document</u>	<u>Other Party</u>
C	Trust Indenture	JP Morgan Trust Company, National Association, as Trustee
D	Financing Agreement	Owner, Trustee and Lender
E	Escrow Agreement	Trustee, Escrow Agent and Owner
F	Regulatory Agreement and Declaration of Restrictive Covenants	Trustee and Owner
G	Bonds Tax Agreement	Owner

Section 2.02 Forms of Note Documents. There have also been presented to this Board forms of the following documents (such documents collectively referred to as the “Note Documents”):

<u>Exhibit</u>	<u>Document</u>	<u>Other Party</u>
H	Note Issuance Agreement	Bank of America, N.A., as Noteholder and Fiscal Agent
I	Loan Agreement	Owner
J	Note	Bank of America, N.A., as Noteholder
K	Assignment and Security Agreement	Bank of America, N.A., as Noteholder
L	Note Tax Agreement	Owner

Section 2.03 Appointment of Fiscal Agent. Bank of America N.A. is hereby appointed as Fiscal Agent under the Note Issuance Agreement.

Section 2.04 Authorization of Bonds. For the purpose of providing funds to pay, or to reimburse the Owner for the payment of, a portion of the costs of the rehabilitation of the Property, the Authority does hereby authorize the issuance of not to exceed \$10,535,000 aggregate principal amount of the Bonds. The Bonds shall be dated, shall mature on such dates (not beyond January 1, 2050) shall be in such principal amounts, shall bear interest at such rate or rates, not to exceed 10 percent per annum, shall be payable on such dates, all as shall be approved by the Chief Executive Officer or Chief Financial Officer, at the time of the execution and delivery of the Bond Purchase Agreement (as hereinafter described). The Bonds shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Indenture as executed and delivered by the Authority as herein provided.

Section 2.05 Source of Payment of Bonds. The Bonds, together with interest thereon shall be secured by the GNMA Securities (as defined in the Indenture) and the CHA Funds (as defined in the Escrow Agreement) and shall be payable solely from the revenues and receipts derived from the GNMA Securities and the CHA Funds as provided in the Indenture and the Escrow Agreement (except to the extent paid out of moneys attributable to the Bond proceeds and other funds established under the Indenture or the income from the temporary investment thereof), and shall be a valid claim of the owners thereof only against the funds and other moneys held by the Trustee and the revenues and receipts derived from the GNMA Securities under the Indenture and the CHA Funds under the Escrow Agreement.

Section 2.06 Limited Obligations of the Authority. The Bonds and the interest thereon are limited, not general, obligations of the Authority, payable solely from the Trust Estate under the Indenture. The Bonds are not a debt of any city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority, and no city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority shall be liable thereon, nor in any event shall the Bonds be payable by the Authority out of any funds or properties other than those of the Authority pledged pursuant to the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the faith and credit nor the taxing power of the United States of America, the Authority, the City, the State of Illinois or any other political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the

Bonds or other costs incident thereto. The Bonds are not a debt of the United States of America or any agency thereof, and are not guaranteed by the United States of America or any agency thereof.

Section 2.07 Execution and Delivery of Bonds. The Bonds shall be executed on behalf of the Authority in the manner provided in the Indenture. If any of the officers who shall have signed or sealed any of said Bonds shall cease to be such officers of the Authority before the Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Authority, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds had not ceased to be such officer or officers of the Authority; and also any such Bonds may be signed and sealed on behalf of the Authority by those persons who, at the actual date of the execution of such Bonds, shall be the officers of the Authority so designated in the Indenture, although at the nominal date of such Bonds any such person shall not have been such officer of the Authority.

Section 2.08 Approval of Bond Documents. The forms of the Bond Documents presented to this meeting are hereby approved. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver the Bond Documents with such changes, insertions and completions therein as shall be approved by such persons executing such documents (subject to the limitations set forth herein), their execution to constitute conclusive evidence of the Board's approval of such changes, insertions and completions, and the Secretary or any Assistant Secretary is hereby authorized and directed to affix to the Bond Documents the corporate seal of the Authority. Such officers are further authorized and directed to execute such instruments, agreements and documents as may be required by HUD or FHA in connection with the Mortgage Loan (as defined in the Indenture) or the GNMA Securities.

Section 2.09 Sale of Bonds. (a) The Bonds shall be sold and delivered to, or upon the direction of, one or more underwriters (the "Underwriters") selected by the Chief Executive Officer or Chief Financial Officer, subject to the terms and conditions of a bond purchase agreement related to the Bonds (the "Bond Purchase Agreement"). The Chief Executive Officer or Chief Financial Officer is authorized to execute and deliver on behalf of the Authority the Bond Purchase Agreement in substantially the form attached hereto as Exhibit M, with appropriate revisions to reflect the terms and provisions of the Bonds, and with such other revisions in text as the Chief Executive Officer or Chief Financial Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The execution of the Bond Purchase Agreement by the Chief Executive Officer or Chief Financial Officer shall be deemed conclusive evidence of the approval of this Board of the terms provided in the Bond Purchase Agreement. The compensation paid to the Underwriters in connection with the sale of the Bonds shall not exceed 3 percent of their aggregate principal amount. In connection with the offer and delivery of the Bonds, the Chief Executive Officer or Chief Financial Officer, and such other officers of the Authority as may be necessary, are authorized to execute and deliver such instruments and documents as may be necessary to implement the transaction and to effect the issuance and delivery of the Bonds. Any limitation on the amount of Bonds issued pursuant to this Resolution as set forth herein shall be exclusive of any original issue discount or premium.

(b) The Chief Executive Officer or Chief Financial Officer is hereby authorized to cause to be prepared the form of Preliminary Official Statement describing the Bonds. The Preliminary Official Statement shall be in substantially the form attached hereto as Exhibit N, together with such changes thereto and modifications thereof as shall be approved by the Chief Executive Officer or Chief Financial Officer. The distribution of the Preliminary Official Statement to prospective purchasers and the use thereof by the Underwriters in connection with the offering of the Bonds are hereby authorized and approved. The Chief Executive Officer or Chief Financial Officer is hereby authorized to permit the distribution of a final Official Statement, in substantially the form of the Preliminary Official Statement, with such changes, omissions, insertions and revisions thereto and completions thereof as the Chief Executive Officer or Chief Financial Officer shall deem advisable. The Chief Executive Officer or Chief Financial Officer is hereby authorized to execute and deliver the final Official Statement to the Underwriters in the name and on behalf of the Authority, the execution of such final Official Statement to constitute conclusive evidence of the approval of such officer of such changes and completions.

(c) To evidence the exercise of the authority delegated to the Chief Executive Officer or Chief Financial Officer by this Resolution, the Chief Executive Officer or Chief Financial Officer is hereby directed to execute and file with the Secretary in connection

with the sale of the Bonds a certificate setting forth the determinations made pursuant to the authority granted herein, which certificate shall constitute conclusive evidence of the proper exercise by her of such authority. Contemporaneously with the filing of such certificate, the Chief Executive Officer or Chief Financial Officer shall also file with the Secretary one copy of the final Official Statement and the Bond Purchase Agreement in connection with the Bonds. Each filing shall be made as soon as practicable subsequent to the execution of the Bond Purchase Agreement. The Secretary shall direct copies of such filings to this Board.

Section 2.10 Public Hearing. This Board hereby directs that the Bonds shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied, and that no contract, agreement or commitment to issue the Bonds shall be executed or undertaken prior to satisfaction of the requirements of said Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. All such actions taken prior to the enactment of this Resolution are hereby ratified and confirmed.

Section 2.11 Authorization of Note. For the purpose of providing funds to pay, or to reimburse the Owner for the payment of, a portion of the costs of the rehabilitation of the Property, the Authority does hereby authorize the issuance of the Note, which shall be in a principal amount not to exceed \$1,999,830. The Note shall be dated, shall mature on such date (not beyond January 1, 2010) and in such principal amount, and shall bear interest, except as set forth in the Note Issuance Agreement, at an interest rate of not to exceed the Maximum Rate (as defined in the Note Issuance Agreement), and shall be payable on such date, all as shall be approved by the Chief Executive Officer or Chief Financial Officer at the time of the execution and delivery of the Note Issuance Agreement. The Note shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Note Issuance Agreement as executed and delivered by the Authority as herein provided.

Section 2.12 Source of Payment of Note. The Note, together with interest thereon, shall be secured and payable solely as provided in the Note Issuance Agreement, and shall be a valid claim of the owner thereof only against the funds and other moneys held under or pursuant to the Note Issuance Agreement and the other mortgage, pledge and security documents executed and delivered in connection with the Note.

Section 2.13 Limited Obligations of Authority. The Note and the interest thereon is a limited, not general, obligation of the Authority, payable solely from revenues, receipts and security pledged therefore in the Note Issuance Agreement and the other mortgage, pledge and security documents executed and delivered in connection with the Note. The Note is not a debt of any city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority, and no city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority shall be liable thereon, nor in any event shall the Note be payable by the Authority out of any funds or properties other than those of the Authority pledged pursuant to the Note Issuance Agreement. The Note does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the Authority, the City, the State of Illinois nor any other political subdivision thereof shall be obligated to pay the principal amount of, premium, if any, or interest on the Note or other costs incident thereto except from the payments pledged with respect thereto and certain reserve funds established in connection therewith. Neither the faith and credit nor the taxing power of the United States of America, the Authority, the City, the State of Illinois or any other political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Note or other costs incident thereto. The Note is not a debt of the United States of America or any agency thereof, and is not guaranteed by the United States of America or any agency thereof.

Section 2.14 Execution and Delivery of Note. The Note shall be executed on behalf of the Authority in the manner provided in the Note Issuance Agreement. If any of the officers who shall have signed or sealed the Note shall cease to be such officers of the Authority before the Note so signed and sealed shall have been actually delivered by the Authority, the Note nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed the Note had not ceased to be such officer or officers of the Authority; and the Note may be signed and sealed on behalf of the Authority by those persons who, at the actual date of the execution of the Note, shall be the officers of the Authority designated in the Note Issuance Agreement, although at the nominal date of the Note any such person shall not have been such officer of the Authority.

Section 2.15 Approval of Note Documents. The forms of the Note Documents presented to this meeting are hereby approved. The Chairman, Chief Executive Officer or Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute, acknowledge and deliver the Note Documents, with such changes, insertions and completions therein as shall be approved by such persons executing such documents (subject to the limitations set forth herein), their execution to constitute conclusive evidence of such approval, and the Secretary or any Assistant Secretary is hereby authorized and directed to affix to the Note Documents the corporate seal of the Authority. Such officers are further authorized and directed to execute such instruments, agreements and documents as may be required by the holder of the Note.

Section 2.16 Sale of Note. (a) The Chief Executive Officer or Chief Financial Officer is hereby authorized to sell the Note to Bank of America, N.A., or its designee, as contemplated by the Note Issuance Agreement presented to this meeting at a purchase price of 100 percent of the principal amount thereof less an origination fee not to exceed 3% of the principal amount of the Note.

(b) To evidence the exercise of the authority delegated to the Chief Executive Officer or Chief Financial Officer by this Resolution, the Chief Executive Officer or Chief Financial Officer is hereby directed to execute and file with the Secretary in connection with the sale of the Note a certificate setting forth the determinations made pursuant to the authority granted herein, which certificate shall constitute conclusive evidence of the proper exercise by her of such authority. Contemporaneously with the filing of such certificate, the Chief Executive Officer or Chief Financial Officer shall also file with the Secretary one copy of the Note Issuance Agreement as executed and delivered by the Authority. Such filing shall be made as soon as practicable subsequent to the execution of the Note Issuance Agreement. The Secretary shall direct copies of such filings to this Board.

Section 2.17 Public Hearing. This Board hereby directs that the Note shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied, and that no contract, agreement or commitment to issue the Note shall be executed or undertaken prior to satisfaction of the requirements of said Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. All such actions taken prior to the enactment of this Resolution are hereby ratified and confirmed.

PART III

Miscellaneous

Section 3.01 Approval of Right of First Refusal Agreement. The form of Right of First Refusal Agreement with respect to the Property presented to this meeting and attached hereto as Exhibit O is approved in substantially the form presented to this meeting, and the officers of the Authority designated in the Right of First Refusal Agreement are authorized to execute and deliver the Right of First Refusal Agreement on behalf of the Authority in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officers of the Authority executing the same, their approval to constitute conclusive evidence of this Board's approval of such changes and revisions.

Section 3.02 Modification of Grant Agreement. The Chief Executive Officer or the Chief Financial Officer of the Authority are authorized to enter into one or more amendments to the Grant Agreement to reflect the ownership of the Property and the use of the proceeds of the Grant to assist in the rehabilitation of the Property.

Section 3.03 Investment Agreements. The Chief Executive Officer or Chief Financial Officer of the Authority is hereby authorized and directed to execute investment agreements covering all or a portion of the proceeds of the Bonds and other amounts held under the Indenture. Any such agreement shall constitute a permitted investment under Illinois law.

Section 3.04 Immunity of Officers, Employees and Members of Authority. No recourse shall be had for the payment of principal of or interest on any of the Bonds or the Note, or for any claim based on the Bonds or Note, or upon any obligation, covenant or agreement in this Resolution contained against any past, present or future commissioner, officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute, ordinance or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such

commissioners, officers, directors, members, employees or agents as such is expressly waived and released by this Resolution as a condition of and consideration for the passage of this Resolution and the issuance of such Bonds and Note.

Section 3.05 Performance Provisions. The Chairman, Chief Executive Officer or Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the Authority under and pursuant to this Resolution and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution, including, but not limited to, the exercise following the delivery date of any of the Bonds or the Note of any power or authority delegated to such official of the Authority under this Resolution with respect to the Bonds or the Note upon the initial issuance thereof, but subject to any limitations on or restrictions of such power or authority as herein set forth. The Chairman, Chief Executive Officer or Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority and the other officers, agents and employees of the Authority are hereby further authorized, empowered and directed for and on behalf of the Authority, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this Resolution or to evidence said authority.

Section 3.06 Allocation of Volume Cap. In accordance with the provisions of Section 146 of the Code, the Authority shall accept an allocation of volume cap from the City to the issuance of the Bonds and the Note. The Chief Executive Officer or Chief Financial Officer of the Authority are authorized to enter into an intergovernmental agreement with the City relating to volume cap.

Section 3.07 Severability. It is the intention of this Board that, if any Article, Section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such Article, Section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

Section 3.08 Prior Inconsistent Resolutions. If any provision of this Resolution is in conflict with or inconsistent with any resolutions or parts of resolutions or the proceedings of the Authority in effect as of the date hereof, the provisions of this Resolution shall supersede any conflicting or inconsistent provision to the extent of such conflict or inconsistency.

Section 3.09 Effective Date. This Resolution shall be in full force and effect immediately upon its passage as by law provided.

(Item C3)

The resolutions for Items C3 approves the formation of Harrison Courts LLC and C/S Harrison Limited Partnership and approves the documents and related actions needed to close the transaction for the rehabilitation of Harrison Courts. Harrison Courts consists of three apartment buildings located at 2910, 2030 and 2950 W. Harrison Street in Chicago, Illinois. The buildings were constructed in 1950 and are seven-stories high. Each building encompasses approximately 30,730 gross square feet and currently contains forty-two (42) apartments for a total of one-hundred and twenty-six (126) units. The proposed renovation of Harrison Courts is similar to Loomis Courts.

PROJECT RESOLUTION NO. 2005-CHA-96

WHEREAS, the Chicago Housing Authority (the "Authority") is a municipal corporation and body politic and corporate organized and validly existing under the laws of the State of Illinois, including without limitation the Housing Authorities Act, 310 ILCS 10/1 *et. seq.*, as amended (the "Act"); and

WHEREAS, the Authority currently owns and operates Harrison Courts, a 104-unit housing property (the "Property"), located at 910 – 30 - 50 West Harrison, in the City of Chicago (the "City"); and

WHEREAS, the Property was originally acquired, constructed and equipped by the Authority using a combination of state and local funds; and

WHEREAS, in 1979, the Authority entered into a Housing Assistance Payments Contract (the "Original Section 8 Contract") with the United States Department of Housing and Urban Development ("HUD") providing for the substantial rehabilitation of the Property by the Authority and the payment of housing assistance payments by HUD to the Authority with respect to the Property for a period of 20 years; and

WHEREAS, upon expiration of the Original Section 8 Contract, the Authority and HUD entered into a Housing Assistance Payments Basic Renewal Contract with respect to the

Property for the period October 1, 2000 to September 30, 2005 (the “Section 8 Renewal Contract”); and

WHEREAS, notwithstanding the availability of funds under the Section 8 Renewal Contract, adequate funds have not been available to the Authority to provide proper maintenance and repair, resulting in the receipt from HUD of substandard physical assessment scores with respect to the Property; and

WHEREAS, after considering a number of alternative methods to finance the rehabilitation of the Property, it was determined by the Authority to be necessary and advisable to sell and transfer the Property to a limited partnership legally capable of raising needed funds under the low-income housing tax credit program pursuant to the provisions and requirements of Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, since 1986, as other federal low-income housing programs have been reduced or eliminated, the federal low-income housing tax credit program has remained a critical component of the federal government’s assistance of affordable housing in the United States; and

WHEREAS, the United States Congress in the United States Housing Act of 1937, as amended, has encouraged local housing agencies such as the Authority to form affiliated entities in order to take advantage of the financial benefit provided by the federal low-income housing tax credit program; and

WHEREAS, pursuant to Board Resolution 2005-CHA-24, (a) C/S Harrison Courts Limited Partnership, an Illinois limited partnership, has been formed to own and operate the Property so as to be able to benefit from the availability of low-income housing tax credits and FHA mortgage insurance, and (b) Harrison Courts LLC, an Illinois limited liability company, has been formed to serve as the general partner of that limited partnership; and

WHEREAS, FHA mortgage insurance requires that a separate special purpose borrowing entity be established with respect to any FHA-insured mortgage loan; and

WHEREAS, Section 2 of the Act provides that the Authority shall have all powers necessary or appropriate in order to engage in the rehabilitation, development and redevelopment of projects; and

WHEREAS, Section 8 of the Act provides that the Authority shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Act; and

WHEREAS, Section 26 of the Act provides that it is the purpose and intent of the Act to authorize the Authority to do any and all things necessary or desirable to secure the financial aid or cooperation of the Federal government in the purchasing, acquiring, constructing, maintaining, operating, improving, extending and repairing of housing projects; and

WHEREAS, as provided in Section 10/9 of the Act, the sale and transfer of the Property has been approved in writing by the Illinois Department of Commerce and Economic Opportunity (formerly, the Illinois Department of Commerce and Community Affairs);

NOW THEREFORE, Be It Resolved, by the Board of Commissioners of the Chicago Housing Authority:

PART I

Formation of LLC and LP

Section 1.01 Formation of LLC. The formation of Harrison Courts LLC, an Illinois limited liability company (the “General Partner”), of which the Authority is the sole member is hereby ratified and confirmed in all respects. The Chief Executive Officer and the Chief Financial Officer of the Authority (the “Designated Officers”) are hereby authorized to take all actions necessary to maintain the status of the General Partner as a limited liability company under the laws of the State of Illinois.

Section 1.02 Operating Agreement. The form of LLC Operating Agreement presented to this meeting and attached hereto as Exhibit A is approved in substantially the form presented to this meeting.

Section 1.03 Formation of LP. The formation of C/S Harrison Courts Limited Partnership, an Illinois limited partnership (the “Owner”), is hereby ratified and confirmed in all respects.

Section 1.04 Partnership Agreement. The original form of Partnership Agreement presented to this meeting and attached hereto as Exhibit B (the “Partnership Agreement”) is approved in substantially the form presented to this meeting. An amended and restated partnership agreement, in the form approved by the Designated Officers, providing for the replacement of the original limited partner with one or more investor limited partners, is also hereby approved. The Chief Executive of the Authority is hereby authorized to

execute and deliver the Partnership Agreement on behalf of the General Partner.

Section 1.05 Development Agreement. The form of Development Agreement presented to this meeting and attached hereto as Exhibit C is approved in substantially the form presented to this meeting. The Chief Executive of the Authority is hereby authorized to execute and deliver the Development Agreement on behalf of the Owner as well as on behalf of the General Partner (not as general partner of the Owner, but as an independent contractor).

Section 1.06 No liability of the Authority. The debts, obligations and undertakings of the General Partner and the Owner shall be payable and/or satisfied solely from the assets and resources of the General Partner and the Owner, as applicable, and neither the Authority, the State of Illinois, the City or any other political subdivision of the State of Illinois shall be liable or responsible, directly or indirectly, for the payment or satisfaction of any such debt, obligation or undertaking, or for the performance of any pledge, obligation, or agreement of any kind whatsoever of the General Partner or the Owner.

Section 1.07 No Recourse. No recourse shall be had for the payment or satisfaction of any debt, obligation or undertaking of the General Partner or the Owner against any commissioner, member, officer, employee, agent, counsel or director, as such, past, present or future, of the Authority, to the maximum extent permitted by law, whether by virtue of any constitution, statute, ordinance or rule of law, or otherwise.

PART II

Approval of Purchase of Property

Section 2.01 Purchase of Property. The purchase of the Property by the Owner for a purchase price of not less than \$4,230,000 is hereby approved in all respects.

Section 2.02 Master Real Estate Sale Contract. The form of Master Real Estate Sale Agreement with respect to the Property (the “Master Real Estate Sale Contract”) presented to this meeting and attached hereto as Exhibit D is approved in substantially the form presented to this meeting, and the General Partner on behalf of the Owner is authorized to execute and deliver the Master Real Estate Sale Agreement in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officer of the Authority executing the same, his or her approval to constitute conclusive evidence of this Board’s approval of such changes and revisions.

Section 2.03 Acceptance of Assignment of Section 8 Contract. The form of Assignment of Section 8 Contract with respect to the Property presented to this meeting and attached hereto as Exhibit E is approved in substantially the form presented to this meeting, and the General Partner on behalf of the Owner is authorized to execute and accept delivery of the Assignment of Section 8 Contract in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the person executing the same, his or her approval to constitute conclusive evidence of this Board’s approval of such changes and revisions. The General Partner of the Owner is authorized to renew the Section 8 Contract as authorized by HUD.

Section 2.04 Approval of Right of First Refusal Agreement. The form of Right of First Refusal Agreement with respect to the Property presented to this meeting and attached hereto as Exhibit F is approved in substantially the form presented to this meeting, and the General Partner on behalf of the Owner is authorized to execute and deliver the Right of First Refusal Agreement in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the person executing the same, their approval to constitute evidence of this Board’s approval of such changes and revisions.

PART III

Additional Approvals

Section 3.01 Development and Management of Property. The development and management of the Property by the Owner is hereby approved. In order to accomplish those purposes, the Owner shall execute and deliver appropriate instruments and documents, including but not limited to, the construction contract, architect’s agreement and appropriate management agreement. FHP Tectonics Corporation is hereby approved to act as general contractor. East Lake Management Group Inc. is hereby approved to act as property manager.

Section 3.02 Loan Transactions. In order to finance the costs of rehabilitating and equipping the Property, the loan transactions described on Exhibit G attached hereto are hereby approved.

Section 3.03 Approval of Loan Documentation. In order to evidence and secure the loan transactions described on Exhibit G, the Owner shall execute and deliver appropriate documents, instruments, mortgages and security instruments as may be required by the

applicable lender subject to the limitations set forth in Exhibit G.

Section 3.04 Tax-exempt Financing. It is recognized that the FHA-insured Mortgage Loan and the Bank of America Bridge Loan will be funded by CHA bonds and a CHA note, the interest on which is exempt from federal income taxation under Section 142 of the Internal Revenue Code of 1986, as amended. The Owner shall execute and deliver such documents and instruments as shall be required to support the tax-exempt status of such CHA obligations.

PART IV
Miscellaneous

Section 4.01 Immunity of Officers, Employees and Members of Authority. No recourse shall be had upon any obligation, covenant or agreement in this Resolution contained against any past, present or future commissioner, officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute, ordinance or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such commissioners, officers, directors, members, employees or agents as such is expressly waived and released by this Resolution as a condition of and consideration for the passage of this Resolution.

Section 4.02 Performance Provisions. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the Authority under and pursuant to this Resolution and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution, including, but not limited to, the exercise of any power or authority delegated to such official of the Authority under this Resolution, but subject to any limitations on or restrictions of such power or authority as herein set forth. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority and the other officers, agents and employees of the Authority are hereby further authorized, empowered and directed for and on behalf of the Authority, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this Resolution or to evidence said authority.

Section 4.03 Severability. It is the intention of this Board that, if any Article, Section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such Article, Section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

Section 4.04 Prior Inconsistent Resolutions. If any provision of this Resolution is in conflict with or inconsistent with any resolutions or parts of resolutions or the proceedings of the Authority in effect as of the date hereof, the provisions of this Resolution shall supersede any conflicting or inconsistent provision to the extent of such conflict or inconsistency.

Section 4.05 Effective Date. This Resolution shall be in full force and effect immediately upon its passage as by law provided.

EXHIBIT G
Schedule of Loan Transactions

<u>Loan Source</u>	<u>Lien Status</u>	<u>Maximum Amount</u>	<u>Maximum Term</u>	<u>Maximum Interest Rate</u>
FHA-Insured Loan	First Mortgage	\$4,030,180	45 years	7%
Bank of America Bridge Loan	Second Mortgage	\$5,893,665	5 years	Statutory Maximum
CHA Seller Financing	Third Mortgage	\$5,170,000	45 years	AFR
CHA Loan	Fourth Mortgage	\$5,570,690	45 years	0%
CHA/DCEO Loan	Fifth Mortgage	\$2,000,000	45 years	0%

(Item C4)

The resolution for Item C4 approves the Financing Plan and Related Financing Documents needed to close the transaction for the rehabilitation of Harrison Courts. To facilitate the renovation of Harrison Courts, a multi-tiered financing approach will be utilized similar to the approach used for Loomis Courts.

FINANCING RESOLUTION NO. 2005-CHA-97

WHEREAS, the Chicago Housing Authority (the “Authority”) is a municipal corporation and body politic and corporate organized and validly existing under the laws of the State of Illinois, including without limitation the Housing Authorities Act, 310 ILCS 10/1 *et. seq.*, as amended (the “Act”); and

WHEREAS, the Authority currently owns and operates Harrison Courts, a 104-unit housing property (the “Property”), located at 910 – 30 - 50 W. Harrison, in the City of Chicago (the “City”); and

WHEREAS, the Property was originally acquired, constructed and equipped by the Authority using a combination of state and local funds; and

WHEREAS, in 1979, the Authority entered into an Housing Assistance Payments Contract (the “Original Section 8 Contract”) with the United States Department of Housing and Urban Development (“HUD”) providing for the substantial rehabilitation of the Property by the Authority and the payment of housing assistance payments by HUD to the Authority with respect to the Property for a period of 20 years; and

WHEREAS, upon expiration of the Original Section 8 Contract, the Authority and HUD entered into a Housing Assistance Payments Basic Renewal Contract with respect to the Property for the period October 1, 2000 to September 30, 2005 (the “Section 8 Renewal Contract”); and

WHEREAS, notwithstanding the availability of funds under the Section 8 Renewal Contract, adequate funds have not been not available to the Authority to provide proper maintenance and repair, resulting in the receipt from HUD of substandard physical assessment scores with respect to the Property; and

WHEREAS, after considering a number of alternative methods to finance the rehabilitation of the Property, it was determined by the Authority to be necessary and advisable to sell and transfer the Property to a limited partnership legally capable of raising needed funds under the low-income housing tax credit program pursuant to the provisions and requirements of Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, since 1986, as other federal low-income housing programs have been reduced or eliminated, the federal low-income housing tax credit program has remained a critical component of the federal government’s assistance of affordable housing in the United States; and

WHEREAS, the United States Congress in the United States Housing Act of 1937, as amended, has encouraged local housing agencies such as the Authority to form affiliated entities in order to take advantage of the financial benefit provided by the federal low-income housing tax credit program; and

WHEREAS, C/S Harrison Courts Limited Partnership, an Illinois limited partnership (the “Owner”), has been formed to own and operate the Property so as to be able to benefit from the availability of low-income housing tax credits and FHA mortgage insurance; and

WHEREAS, Harrison Courts LLC, an Illinois limited liability company (the “General Partner”) has been formed to serve as the general partner of the Owner; and

WHEREAS, a determination has been made by the Authority that the Property constitutes “multifamily rental housing” within the meaning of the Act and the financing thereof will meet the public purposes of the Act; and

WHEREAS, pursuant to the provisions of the Act and the Local Government Debt Reform Act, 30 ILCS 305/1 *et seq.* (the “Debt Reform Act”), the Authority is authorized to issue its notes and bonds for the purposes provided herein; and

WHEREAS, the Authority will lend certain moneys to the Owner as described in Part I below; and

WHEREAS, the Authority will lend certain moneys derived from the Illinois Department of Commerce and Economic Opportunity (“DCEO”) as described in Part II below; and

WHEREAS, the Authority will sell the Property to Owner and make a loan to the Owner to finance a portion of the purchase price of the Property, as described in Part III below; and

WHEREAS, the Authority will issue the Bonds and the Note as described in Part II below;
NOW THEREFORE, Be It Resolved, by the Board of Commissioners of the Chicago Housing Authority:

PART I

Approval of Sale of Property and CHA Financing to Owner

Section 1.01 Section 1.01 Sale and Transfer of Property. The sale and transfer of the Property to the Owner for a purchase price of not less than \$4,230,000 is hereby approved in all respects.

Section 1.02 Master Real Estate Sale Contract. The form of Master Real Estate Sale Agreement with respect to the Property (the “Master Real Estate Sale Contract”) presented to this meeting and attached hereto as Exhibit A is approved in substantially the form presented to this meeting, and the Designated Officers of the Authority are authorized to execute and deliver the Master Real Estate Sale Agreement on behalf of the Authority in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officer of the Authority executing the same, his or her approval to constitute conclusive evidence of this Board’s approval of such changes and revisions.

Section 1.03 Assignment of Section 8 Contract. The form of Assignment of Section 8 Contract with respect to the Property presented to this meeting and attached hereto as Exhibit B is approved in substantially the form presented to this meeting, and the Designated Officers of the Authority are authorized to execute and deliver the Assignment of Section 8 Contract on behalf of the Authority in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officer of the Authority executing the same, his or her approval to constitute conclusive evidence of this Board’s approval of such changes and revisions. The Designated Officers are authorized to renew the Section 8 Contract as authorized by HUD.

Section 1.04 Approval of CHA Seller Financing Loan. As provided in the Master Real Estate Sale Agreement attached hereto as Exhibit A, the Authority shall provide seller financing to the Owner. To evidence the obligation of the Owner to pay the purchase price of the Property to the Authority, the Owner shall execute and deliver a promissory note, in an amount not to exceed \$5,170,000 and bearing interest at the Applicable Federal Rate (as defined in the Internal Revenue Code of 1986) for a term not to exceed 45 years. To secure the obligation of the Owner under the note, the Owner shall execute and deliver a subordinate mortgage on the Property.

Section 1.05 Approval of CHA Loan. The Authority shall make a loan to the Owner. To evidence the obligation of the Owner to repay the loan to the Authority, the Owner shall execute and deliver one or more promissory notes, in an aggregate amount not to exceed \$5,570,690 and bearing interest at zero percent per annum for a term not to exceed 45 years. To secure the obligation of the Owner under the note, the Owner shall execute and deliver one or more subordinate mortgages on the Property and other security documents. The aggregate amount of such loan for this and the other two City/State projects that will be funded from insurance fund moneys shall not exceed \$10,000,000.

Section 1.06 Approval of CHA Loan of DCEO Moneys. The Authority may, if so determined by the Chief Executive Officer, make a loan to the Owner out of or otherwise apply money it receives from the Illinois Department of Commerce and Economic Opportunity (“DCEO”). To evidence the obligation of the Owner to repay any such loan to the Authority, the Owner shall execute and deliver a promissory note, in an amount not to exceed \$2,000,000 and bearing interest at zero percent per annum for a term not to exceed 45 years. To secure the obligation of the Owner under any such note, the Owner shall execute and deliver a subordinate mortgage on the Property and other security documents.

PART II

Approval of Bond and Note Financing

Section 2.01 Forms of Bond Documents. There have been presented to this Board forms of the following documents (such documents collectively referred to as the “Bond Documents”):

<u>Exhibit</u>	<u>Document</u>	<u>Other Party</u>
C	Trust Indenture	JP Morgan Trust Company, National Association, as Trustee
D	Financing Agreement	Owner, Trustee and Lender
E	Escrow Agreement	Trustee, Escrow Agent and Owner

F	Regulatory Agreement and Declaration of Restrictive Covenants	Trustee and Owner
G	Bonds Tax Agreement	Owner

Section 2.02 Forms of Note Documents. There have also been presented to this Board forms of the following documents (such documents collectively referred to as the “Note Documents”):

<u>Exhibit</u>	<u>Document</u>	<u>Other Party</u>
H	Note Issuance Agreement	Bank of America, N.A., as Noteholder and Fiscal Agent
I	Loan Agreement	Owner
J	Note	Bank of America, N.A., as Noteholder
K	Assignment and Security Agreement	Bank of America, N.A., as Noteholder
L	Note Tax Agreement	Owner

Section 2.03 Appointment of Fiscal Agent. Bank of America N.A. is hereby appointed as Fiscal Agent under the Note Issuance Agreement.

Section 2.04 Authorization of Bonds. For the purpose of providing funds to pay, or to reimburse the Owner for the payment of, a portion of the costs of the rehabilitation of the Property, the Authority does hereby authorize the issuance of not to exceed \$7,540,000 aggregate principal amount of the Bonds. The Bonds shall be dated, shall mature on such dates (not beyond January 1, 2050) shall be in such principal amounts, shall bear interest at such rate or rates, not to exceed 10 percent per annum, shall be payable on such dates, all as shall be approved by the Chief Executive Officer or Chief Financial Officer, at the time of the execution and delivery of the Bond Purchase Agreement (as hereinafter described). The Bonds shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Indenture as executed and delivered by the Authority as herein provided.

Section 2.05 Source of Payment of Bonds. The Bonds, together with interest thereon shall be secured by the GNMA Securities (as defined in the Indenture) and the CHA Funds (as defined in the Escrow Agreement) and shall be payable solely from the revenues and receipts derived from the GNMA Securities and the CHA Funds as provided in the Indenture and the Escrow Agreement (except to the extent paid out of moneys attributable to the Bond proceeds and other funds established under the Indenture or the income from the temporary investment thereof), and shall be a valid claim of the owners thereof only against the funds and other moneys held by the Trustee and the revenues and receipts derived from the GNMA Securities under the Indenture and the CHA Funds under the Escrow Agreement.

Section 2.06 Limited Obligations of the Authority. The Bonds and the interest thereon are limited, not general, obligations of the Authority, payable solely from the Trust Estate under the Indenture. The Bonds are not a debt of any city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority, and no city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority shall be liable thereon, nor in any event shall the Bonds be payable by the Authority out of any funds or properties other than those of the Authority pledged pursuant to the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the faith and credit nor the taxing power of the United States of America, the Authority, the City, the State of Illinois or any other political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The Bonds are not a debt of the United States of America or any agency thereof, and are not guaranteed by the United States of America or any agency thereof.

Section 2.07 Execution and Delivery of Bonds. The Bonds shall be executed on behalf of the Authority in the manner provided in the Indenture. If any of the officers who shall have signed or sealed any of said Bonds shall cease to be such officers of the Authority before the Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Authority, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who

signed or sealed such Bonds had not ceased to be such officer or officers of the Authority; and also any such Bonds may be signed and sealed on behalf of the Authority by those persons who, at the actual date of the execution of such Bonds, shall be the officers of the Authority so designated in the Indenture, although at the nominal date of such Bonds any such person shall not have been such officer of the Authority.

Section 2.08 Approval of Bond Documents. The forms of the Bond Documents presented to this meeting are hereby approved. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver the Bond Documents with such changes, insertions and completions therein as shall be approved by such persons executing such documents (subject to the limitations set forth herein), their execution to constitute conclusive evidence of the Board's approval of such changes, insertions and completions, and the Secretary or any Assistant Secretary is hereby authorized and directed to affix to the Bond Documents the corporate seal of the Authority. Such officers are further authorized and directed to execute such instruments, agreements and documents as may be required by HUD or FHA in connection with the Mortgage Loan (as defined in the Indenture) or the GNMA Securities.

Section 2.09 Sale of Bonds. (a) The Bonds shall be sold and delivered to, or upon the direction of, one or more underwriters (the "Underwriters") selected by the Chief Executive Officer or Chief Financial Officer, subject to the terms and conditions of a bond purchase agreement related to the Bonds (the "Bond Purchase Agreement"). The Chief Executive Officer or Chief Financial Officer is authorized to execute and deliver on behalf of the Authority the Bond Purchase Agreement in substantially the form attached hereto as Exhibit M, with appropriate revisions to reflect the terms and provisions of the Bonds, and with such other revisions in text as the Chief Executive Officer or Chief Financial Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The execution of the Bond Purchase Agreement by the Chief Executive Officer or Chief Financial Officer shall be deemed conclusive evidence of the approval of this Board of the terms provided in the Bond Purchase Agreement. The compensation paid to the Underwriters in connection with the sale of the Bonds shall not exceed 3 percent of their aggregate principal amount. In connection with the offer and delivery of the Bonds, the Chief Executive Officer or Chief Financial Officer, and such other officers of the Authority as may be necessary, are authorized to execute and deliver such instruments and documents as may be necessary to implement the transaction and to effect the issuance and delivery of the Bonds. Any limitation on the amount of Bonds issued pursuant to this Resolution as set forth herein shall be exclusive of any original issue discount or premium.

(b) The Chief Executive Officer or Chief Financial Officer is hereby authorized to cause to be prepared the form of Preliminary Official Statement describing the Bonds. The Preliminary Official Statement shall be in substantially the form attached hereto as Exhibit N, together with such changes thereto and modifications thereof as shall be approved by the Chief Executive Officer or Chief Financial Officer. The distribution of the Preliminary Official Statement to prospective purchasers and the use thereof by the Underwriters in connection with the offering of the Bonds are hereby authorized and approved. The Chief Executive Officer or Chief Financial Officer is hereby authorized to permit the distribution of a final Official Statement, in substantially the form of the Preliminary Official Statement, with such changes, omissions, insertions and revisions thereto and completions thereof as the Chief Executive Officer or Chief Financial Officer shall deem advisable. The Chief Executive Officer or Chief Financial Officer is hereby authorized to execute and deliver the final Official Statement to the Underwriters in the name and on behalf of the Authority, the execution of such final Official Statement to constitute conclusive evidence of the approval of such officer of such changes and completions.

(c) To evidence the exercise of the authority delegated to the Chief Executive Officer or Chief Financial Officer by this Resolution, the Chief Executive Officer or Chief Financial Officer is hereby directed to execute and file with the Secretary in connection with the sale of the Bonds a certificate setting forth the determinations made pursuant to the authority granted herein, which certificate shall constitute conclusive evidence of the proper exercise by her of such authority. Contemporaneously with the filing of such certificate, the Chief Executive Officer or Chief Financial Officer shall also file with the Secretary one copy of the final Official Statement and the Bond Purchase Agreement in connection with the Bonds. Each filing shall be made as soon as practicable subsequent to the execution of the Bond Purchase Agreement. The Secretary shall direct copies of such filings to this Board.

Section 2.10 Public Hearing. This Board hereby directs that the Bonds shall not be

issued unless and until the requirements of Section 147(f) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied, and that no contract, agreement or commitment to issue the Bonds shall be executed or undertaken prior to satisfaction of the requirements of said Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. All such actions taken prior to the enactment of this Resolution are hereby ratified and confirmed.

Section 2.11 Authorization of Note. For the purpose of providing funds to pay, or to reimburse the Owner for the payment of, a portion of the costs of the rehabilitation of the Property, the Authority does hereby authorize the issuance of the Note, which shall be in a principal amount not to exceed \$5,893,665. The Note shall be dated, shall mature on such date (not beyond January 1, 2010) and in such principal amount, and shall bear interest, except as set forth in the Note Issuance Agreement, at an interest rate of not to exceed the Maximum Rate (as defined in the Note Issuance Agreement), and shall be payable on such date, all as shall be approved by the Chief Executive Officer or Chief Financial Officer at the time of the execution and delivery of the Note Issuance Agreement. The Note shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Note Issuance Agreement as executed and delivered by the Authority as herein provided.

Section 2.12 Source of Payment of Note. The Note, together with interest thereon, shall be secured and payable solely as provided in the Note Issuance Agreement, and shall be a valid claim of the owner thereof only against the funds and other moneys held under or pursuant to the Note Issuance Agreement and the other mortgage, pledge and security documents executed and delivered in connection with the Note.

Section 2.13 Limited Obligations of Authority. The Note and the interest thereon is a limited, not general, obligation of the Authority, payable solely from revenues, receipts and security pledged therefore in the Note Issuance Agreement and the other mortgage, pledge and security documents executed and delivered in connection with the Note. The Note is not a debt of any city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority, and no city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority shall be liable thereon, nor in any event shall the Note be payable by the Authority out of any funds or properties other than those of the Authority pledged pursuant to the Note Issuance Agreement. The Note does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the Authority, the City, the State of Illinois nor any other political subdivision thereof shall be obligated to pay the principal amount of, premium, if any, or interest on the Note or other costs incident thereto except from the payments pledged with respect thereto and certain reserve funds established in connection therewith. Neither the faith and credit nor the taxing power of the United States of America, the Authority, the City, the State of Illinois or any other political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Note or other costs incident thereto. The Note is not a debt of the United States of America or any agency thereof, and is not guaranteed by the United States of America or any agency thereof.

Section 2.14 Execution and Delivery of Note. The Note shall be executed on behalf of the Authority in the manner provided in the Note Issuance Agreement. If any of the officers who shall have signed or sealed the Note shall cease to be such officers of the Authority before the Note so signed and sealed shall have been actually delivered by the Authority, the Note nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed the Note had not ceased to be such officer or officers of the Authority; and the Note may be signed and sealed on behalf of the Authority by those persons who, at the actual date of the execution of the Note, shall be the officers of the Authority designated in the Note Issuance Agreement, although at the nominal date of the Note any such person shall not have been such officer of the Authority.

Section 2.15 Approval of Note Documents. The forms of the Note Documents presented to this meeting are hereby approved. The Chairman, Chief Executive Officer or Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute, acknowledge and deliver the Note Documents, with such changes, insertions and completions therein as shall be approved by such persons executing such documents (subject to the limitations set forth herein), their execution to constitute conclusive evidence of such approval, and the Secretary or any Assistant Secretary is hereby authorized and directed to affix to the Note Documents the corporate seal of the Authority.

Such officers are further authorized and directed to execute such instruments, agreements and documents as may be required by the holder of the Note.

Section 2.16 Sale of Note. (a) The Chief Executive Officer or Chief Financial Officer is hereby authorized to sell the Note to Bank of America, N.A., or its designee, as contemplated by the Note Issuance Agreement presented to this meeting at a purchase price of 100 percent of the principal amount thereof less an origination fee not to exceed 3% of the principal amount of the Note.

(b) To evidence the exercise of the authority delegated to the Chief Executive Officer or Chief Financial Officer by this Resolution, the Chief Executive Officer or Chief Financial Officer is hereby directed to execute and file with the Secretary in connection with the sale of the Note a certificate setting forth the determinations made pursuant to the authority granted herein, which certificate shall constitute conclusive evidence of the proper exercise by her of such authority. Contemporaneously with the filing of such certificate, the Chief Executive Officer or Chief Financial Officer shall also file with the Secretary one copy of the Note Issuance Agreement as executed and delivered by the Authority. Such filing shall be made as soon as practicable subsequent to the execution of the Note Issuance Agreement. The Secretary shall direct copies of such filings to this Board.

Section 2.17 Public Hearing. This Board hereby directs that the Note shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied, and that no contract, agreement or commitment to issue the Note shall be executed or undertaken prior to satisfaction of the requirements of said Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. All such actions taken prior to the enactment of this Resolution are hereby ratified and confirmed.

PART III

Miscellaneous

Section 3.01 Approval of Right of First Refusal Agreement. The form of Right of First Refusal Agreement with respect to the Property presented to this meeting and attached hereto as Exhibit O is approved in substantially the form presented to this meeting, and the officers of the Authority designated in the Right of First Refusal Agreement are authorized to execute and deliver the Right of First Refusal Agreement on behalf of the Authority in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officers of the Authority executing the same, their approval to constitute conclusive evidence of this Board's approval of such changes and revisions.

Section 3.02 Modification of Grant Agreement. The Chief Executive Officer or the Chief Financial Officer of the Authority are authorized to enter into one or more amendments to the Grant Agreement to reflect the ownership of the Property and the use of the proceeds of the Grant to assist in the rehabilitation of the Property.

Section 3.03 Investment Agreements. The Chief Executive Officer or Chief Financial Officer of the Authority is hereby authorized and directed to execute investment agreements covering all or a portion of the proceeds of the Bonds and other amounts held under the Indenture. Any such agreement shall constitute a permitted investment under Illinois law.

Section 3.04 Immunity of Officers, Employees and Members of Authority. No recourse shall be had for the payment of principal of or interest on any of the Bonds or the Note, or for any claim based on the Bonds or Note, or upon any obligation, covenant or agreement in this Resolution contained against any past, present or future commissioner, officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute, ordinance or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such commissioners, officers, directors, members, employees or agents as such is expressly waived and released by this Resolution as a condition of and consideration for the passage of this Resolution and the issuance of such Bonds and Note.

Section 3.05 Performance Provisions. The Chairman, Chief Executive Officer or Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the Authority under and pursuant to this Resolution and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution,

including, but not limited to, the exercise following the delivery date of any of the Bonds or the Note of any power or authority delegated to such official of the Authority under this Resolution with respect to the Bonds or the Note upon the initial issuance thereof, but subject to any limitations on or restrictions of such power or authority as herein set forth. The Chairman, Chief Executive Officer or Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority and the other officers, agents and employees of the Authority are hereby further authorized, empowered and directed for and on behalf of the Authority, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this Resolution or to evidence said authority.

Section 3.06 Allocation of Volume Cap. In accordance with the provisions of Section 146 of the Code, the Authority shall accept an allocation of volume cap from the City to the issuance of the Bonds and the Note. The Chief Executive Officer or Chief Financial Officer of the Authority are authorized to enter into an intergovernmental agreement with the City relating to volume cap.

Section 3.07 Severability. It is the intention of this Board that, if any Article, Section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such Article, Section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

Section 3.08 Prior Inconsistent Resolutions. If any provision of this Resolution is in conflict with or inconsistent with any resolutions or parts of resolutions or the proceedings of the Authority in effect as of the date hereof, the provisions of this Resolution shall supersede any conflicting or inconsistent provision to the extent of such conflict or inconsistency.

Section 3.09 Effective Date. This Resolution shall be in full force and effect immediately upon its passage as by law provided.

(Item C5)

The resolutions for Items C5 approves the formation of Lathrop Elderly LLC and C/S Lathrop Limited Partnership and approves the documents and related actions needed to close the transaction for the rehabilitation of Lathrop elderly. Lathrop Elderly, located at 2717 North Leavitt Street in Chicago, Illinois, was constructed in 1959. This Senior designated apartment building in the Authority's City/State portfolio is eight-stories high, features a penthouse, and contains ninety-two (92) apartments. The proposed renovation of Lathrop Elderly is similar to Loomis Courts and Harrison Courts.

PROJECT RESOLUTION NO. 2005-CHA-98

WHEREAS, the Chicago Housing Authority (the "Authority") is a municipal corporation and body politic and corporate organized and validly existing under the laws of the State of Illinois, including without limitation the Housing Authorities Act, 310 ILCS 10/1 *et. seq.*, as amended (the "Act"); and

WHEREAS, the Authority currently owns and operates Lathrop Elderly Apartments, a 92-unit housing property for elderly and disabled persons (the "Property"), located at 2717 North Leavitt, in the City of Chicago (the "City"); and

WHEREAS, the Property was originally acquired, constructed and equipped by the Authority using a combination of state and local funds; and

WHEREAS, in 1979, the Authority entered into a Housing Assistance Payments Contract (the "Original Section 8 Contract") with the United States Department of Housing and Urban Development ("HUD") providing for the substantial rehabilitation of the Property by the Authority and the payment of housing assistance payments by HUD to the Authority with respect to the Property for a period of 20 years; and

WHEREAS, upon expiration of the Original Section 8 Contract, the Authority and HUD entered into a Housing Assistance Payments Basic Renewal Contract with respect to the Property for the period October 1, 2000 to September 30, 2005 (the "Section 8 Renewal Contract"); and

WHEREAS, notwithstanding the availability of funds under the Section 8 Renewal Contract, adequate funds have not been available to the Authority to provide proper maintenance and repair, resulting in the receipt from HUD of substandard physical assessment scores with respect to the Property; and

WHEREAS, after considering a number of alternative methods to finance the rehabilitation of the Property, it was determined by the Authority to be necessary and advisable to sell and transfer the Property to a limited partnership legally capable of raising needed funds

under the low-income housing tax credit program pursuant to the provisions and requirements of Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, since 1986, as other federal low-income housing programs have been reduced or eliminated, the federal low-income housing tax credit program has remained a critical component of the federal government’s assistance of affordable housing in the United States; and

WHEREAS, the United States Congress in the United States Housing Act of 1937, as amended, has encouraged local housing agencies such as the Authority to form affiliated entities in order to take advantage of the financial benefit provided by the federal low-income housing tax credit program; and

WHEREAS, pursuant to Board Resolution 2005-CHA-24, (a) C/S Lathrop Elderly Limited Partnership, an Illinois limited partnership, has been formed to own and operate the Property so as to be able to benefit from the availability of low-income housing tax credits and FHA mortgage insurance, and (b) Lathrop Elderly LLC, an Illinois limited liability company, has been formed to serve as the general partner of that limited partnership; and

WHEREAS, FHA mortgage insurance requires that a separate special purpose borrowing entity be established with respect to any FHA-insured mortgage loan; and

WHEREAS, Section 2 of the Act provides that the Authority shall have all powers necessary or appropriate in order to engage in the rehabilitation, development and redevelopment of projects; and

WHEREAS, Section 8 of the Act provides that the Authority shall have all the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Act; and

WHEREAS, Section 26 of the Act provides that it is the purpose and intent of the Act to authorize the Authority to do any and all things necessary or desirable to secure the financial aid or cooperation of the Federal government in the purchasing, acquiring, constructing, maintaining, operating, improving, extending and repairing of housing projects; and

WHEREAS, as provided in Section 10/9 of the Act, the sale and transfer of the Property has been approved in writing by the Illinois Department of Commerce and Economic Opportunity (formerly, the Illinois Department of Commerce and Community Affairs);

NOW THEREFORE, Be It Resolved, by the Board of Commissioners of the Chicago Housing Authority:

PART I

Formation of LLC and LP

Section 1.01 Formation of LLC. The formation of Lathrop Elderly LLC, an Illinois limited liability company (the “General Partner”), of which the Authority is the sole member is hereby ratified and confirmed in all respects. The Chief Executive Officer and the Chief Financial Officer of the Authority (the “Designated Officers”) are hereby authorized to take all actions necessary to maintain the status of the General Partner as a limited liability company under the laws of the State of Illinois.

Section 1.02 Operating Agreement. The form of LLC Operating Agreement presented to this meeting and attached hereto as Exhibit A is approved in substantially the form presented to this meeting.

Section 1.03 Formation of LP. The formation of C/S Lathrop Elderly Limited Partnership, an Illinois limited partnership (the “Owner”), is hereby ratified and confirmed in all respects.

Section 1.04 Partnership Agreement. The original form of Partnership Agreement presented to this meeting and attached hereto as Exhibit B (the “Partnership Agreement”) is approved in substantially the form presented to this meeting. An amended and restated partnership agreement, in the form approved by the Designated Officers, providing for the replacement of the original limited partner with one or more investor limited partners, is also hereby approved. The Chief Executive of the Authority is hereby authorized to execute and deliver the Partnership Agreement on behalf of the General Partner.

Section 1.05 Development Agreement. The form of Development Agreement presented to this meeting and attached hereto as Exhibit C is approved in substantially the form presented to this meeting. The Chief Executive of the Authority is hereby authorized to execute and deliver the Development Agreement on behalf of the Owner as well as on behalf of the General Partner (not as general partner of the Owner, but as an independent contractor).

Section 1.06 No liability of the Authority. The debts, obligations and undertakings of the General Partner and the Owner shall be payable and/or satisfied solely from the assets and

resources of the General Partner and the Owner, as applicable, and neither the Authority, the State of Illinois, the City or any other political subdivision of the State of Illinois shall be liable or responsible, directly or indirectly, for the payment or satisfaction of any such debt, obligation or undertaking, or for the performance of any pledge, obligation, or agreement of any kind whatsoever of the General Partner or the Owner.

Section 1.07 No Recourse. No recourse shall be had for the payment or satisfaction of any debt, obligation or undertaking of the General Partner or the Owner against any commissioner, member, officer, employee, agent, counsel or director, as such, past, present or future, of the Authority, to the maximum extent permitted by law, whether by virtue of any constitution, statute, ordinance or rule of law, or otherwise.

PART II

Approval of Purchase of Property

Section 2.01 Purchase of Property. The purchase of the Property by the Owner for a purchase price of not less than \$4,140,000 is hereby approved in all respects.

Section 2.02 Master Real Estate Sale Contract. The form of Master Real Estate Sale Agreement with respect to the Property (the “Master Real Estate Sale Contract”) presented to this meeting and attached hereto as Exhibit D is approved in substantially the form presented to this meeting, and the General Partner on behalf of the Owner is authorized to execute and deliver the Master Real Estate Sale Agreement in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officer of the Authority executing the same, his or her approval to constitute conclusive evidence of this Board’s approval of such changes and revisions.

Section 2.03 Acceptance of Assignment of Section 8 Contract. The form of Assignment of Section 8 Contract with respect to the Property presented to this meeting and attached hereto as Exhibit E is approved in substantially the form presented to this meeting, and the General Partner on behalf of the Owner is authorized to execute and accept delivery of the Assignment of Section 8 Contract in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the person executing the same, his or her approval to constitute conclusive evidence of this Board’s approval of such changes and revisions. The General Partner of the Owner is authorized to renew the Section 8 Contract as authorized by HUD.

Section 2.04 Approval of Right of First Refusal Agreement. The form of Right of First Refusal Agreement with respect to the Property presented to this meeting and attached hereto as Exhibit F is approved in substantially the form presented to this meeting, and the General Partner on behalf of the Owner is authorized to execute and deliver the Right of First Refusal Agreement in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the person executing the same, their approval to constitute evidence of this Board’s approval of such changes and revisions.

PART III

Additional Approvals

Section 3.01 Development and Management of Property. The development and management of the Property by the Owner is hereby approved. In order to accomplish those purposes, the Owner shall execute and deliver appropriate instruments and documents, including but not limited to, the construction contract, architect’s agreement and appropriate management agreement. Friedler Corporation is hereby approved to act as general contractor. Hispanic Housing Development Corporation is hereby approved to act as property manager.

Section 3.02 Loan Transactions. In order to finance the costs of rehabilitating and equipping the Property, the loan transactions described on Exhibit G attached hereto are hereby approved.

Section 3.03 Approval of Loan Documentation. In order to evidence and secure the loan transactions described on Exhibit G, the Owner shall execute and deliver appropriate documents, instruments, mortgages and security instruments as may be required by the applicable lender subject to the limitations set forth in Exhibit G.

Section 3.04 Tax-exempt Financing. It is recognized that the FHA-insured Mortgage Loan and the Bank of America Bridge Loan will be funded by CHA bonds and a CHA note, the interest on which is exempt from federal income taxation under Section 142 of the Internal Revenue Code of 1986, as amended. The Owner shall execute and deliver such documents and instruments as shall be required to support the tax-exempt status of such CHA obligations.

PART IV

Miscellaneous

Section 4.01 Immunity of Officers, Employees and Members of Authority. No recourse shall be had upon any obligation, covenant or agreement in this Resolution contained against any past, present or future commissioner, officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute, ordinance or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such commissioners, officers, directors, members, employees or agents as such is expressly waived and released by this Resolution as a condition of and consideration for the passage of this Resolution.

Section 4.02 Performance Provisions. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the Authority under and pursuant to this Resolution and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution, including, but not limited to, the exercise of any power or authority delegated to such official of the Authority under this Resolution, but subject to any limitations on or restrictions of such power or authority as herein set forth. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority and the other officers, agents and employees of the Authority are hereby further authorized, empowered and directed for and on behalf of the Authority, to execute and deliver all papers, documents, certificates and other instruments that may be required to carry out the authority conferred by this Resolution or to evidence said authority.

Section 4.03 Severability. It is the intention of this Board that, if any Article, Section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such Article, Section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

Section 4.04 Prior Inconsistent Resolutions. If any provision of this Resolution is in conflict with or inconsistent with any resolutions or parts of resolutions or the proceedings of the Authority in effect as of the date hereof, the provisions of this Resolution shall supersede any conflicting or inconsistent provision to the extent of such conflict or inconsistency.

Section 4.05 Effective Date. This Resolution shall be in full force and effect immediately upon its passage as by law provided.

EXHIBIT G
Schedule of Loan Transactions

<u>Loan Source</u>	<u>Lien Status</u>	<u>Maximum Amount</u>	<u>Maximum Term</u>	<u>Maximum Interest Rate</u>
FHA-Insured Loan	First Mortgage	\$4,317,610	45 years	7%
Bank of America Bridge Loan	Second Mortgage	\$2,386,515	5 years	Statutory Maximum
CHA Seller Financing	Third Mortgage	\$5,060,000	45 years	AFR
CHA Loan	Fourth Mortgage	\$3,162,500	45 years	0%
CHA/DCEO Loan	Fifth Mortgage	\$2,000,000	45 years	0%

(Item C6)

The resolution for Item C6 approves the Financing Plan and Related Financing Documents needed to close the transaction for the rehabilitation of Lathrop elderly. To facilitate the renovation of Lathrop Elderly, a multi-tiered financing approach will be utilized similar to the approach used for Loomis Courts and Harrison Courts.

FINANCING RESOLUTION NO. 2005-CHA-99

WHEREAS, the Chicago Housing Authority (the “Authority”) is a municipal corporation and body politic and corporate organized and validly existing under the laws of the State of Illinois, including without limitation the Housing Authorities Act, 310 ILCS 10/1 *et. seq.*,

as amended (the “Act”); and

WHEREAS, the Authority currently owns and operates Lathrop Elderly Apartments, a 92-unit housing property for elderly and disabled persons (the “Property”), located at 2717 North Leavitt, in the City of Chicago (the “City”); and

WHEREAS, the Property was originally acquired, constructed and equipped by the Authority using a combination of state and local funds; and

WHEREAS, in 1979, the Authority entered into an Housing Assistance Payments Contract (the “Original Section 8 Contract”) with the United States Department of Housing and Urban Development (“HUD”) providing for the substantial rehabilitation of the Property by the Authority and the payment of housing assistance payments by HUD to the Authority with respect to the Property for a period of 20 years; and

WHEREAS, upon expiration of the Original Section 8 Contract, the Authority and HUD entered into a Housing Assistance Payments Basic Renewal Contract with respect to the Property for the period October 1, 2000 to September 30, 2005 (the “Section 8 Renewal Contract”); and

WHEREAS, notwithstanding the availability of funds under the Section 8 Renewal Contract, adequate funds have not been available to the Authority to provide proper maintenance and repair, resulting in the receipt from HUD of substandard physical assessment scores with respect to the Property; and

WHEREAS, after considering a number of alternative methods to finance the rehabilitation of the Property, it was determined by the Authority to be necessary and advisable to sell and transfer the Property to a limited partnership legally capable of raising needed funds under the low-income housing tax credit program pursuant to the provisions and requirements of Section 42 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, since 1986, as other federal low-income housing programs have been reduced or eliminated, the federal low-income housing tax credit program has remained a critical component of the federal government’s assistance of affordable housing in the United States; and

WHEREAS, the United States Congress in the United States Housing Act of 1937, as amended, has encouraged local housing agencies such as the Authority to form affiliated entities in order to take advantage of the financial benefit provided by the federal low-income housing tax credit program; and

WHEREAS, C/S Lathrop Elderly Limited Partnership, an Illinois limited partnership (the “Owner”), has been formed to own and operate the Property so as to be able to benefit from the availability of low-income housing tax credits and FHA mortgage insurance; and

WHEREAS, Lathrop Elderly LLC, an Illinois limited liability company (the “General Partner”) has been formed to serve as the general partner of the Owner; and

WHEREAS, a determination has been made by the Authority that the Property constitutes “multifamily rental housing” within the meaning of the Act and the financing thereof will meet the public purposes of the Act; and

WHEREAS, pursuant to the provisions of the Act and the Local Government Debt Reform Act, 30 ILCS 305/1 *et seq.* (the “Debt Reform Act”), the Authority is authorized to issue its notes and bonds for the purposes provided herein; and

WHEREAS, the Authority will lend certain moneys to the Owner as described in Part I below; and

WHEREAS, the Authority will lend certain moneys derived from the Illinois Department of Commerce and Economic Opportunity (“DCEO”) as described in Part II below; and

WHEREAS, the Authority will sell the Property to Owner and make a loan to the Owner to finance a portion of the purchase price of the Property, as described in Part III below; and

WHEREAS, the Authority will issue the Bonds and the Note as described in Part II below;
NOW THEREFORE, Be It Resolved, by the Board of Commissioners of the Chicago Housing Authority:

PART I

Approval of Sale of Property and CHA Financing to Owner

Section 1.01 Sale and Transfer of Property. The sale and transfer of the Property to the Owner for a purchase price of not less than \$4,140,000 is hereby approved in all respects.

Section 1.02 Master Real Estate Sale Contract. The form of Master Real Estate Sale Agreement with respect to the Property (the “Master Real Estate Sale Contract”) presented to this meeting and attached hereto as Exhibit A is approved in substantially the form presented to this meeting, and the Designated Officers of the Authority are authorized to

execute and deliver the Master Real Estate Sale Agreement on behalf of the Authority in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officer of the Authority executing the same, his or her approval to constitute conclusive evidence of this Board’s approval of such changes and revisions.

Section 1.03 Assignment of Section 8 Contract. The form of Assignment of Section 8 Contract with respect to the Property presented to this meeting and attached hereto as Exhibit B is approved in substantially the form presented to this meeting, and the Designated Officers of the Authority are authorized to execute and deliver the Assignment of Section 8 Contract on behalf of the Authority in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officer of the Authority executing the same, his or her approval to constitute conclusive evidence of this Board’s approval of such changes and revisions. The Designated Officers are authorized to renew the Section 8 Contract as authorized by HUD.

Section 1.04 Approval of CHA Seller Financing Loan. As provided in the Master Real Estate Sale Agreement attached hereto as Exhibit A, the Authority shall provide seller financing to the Owner. To evidence the obligation of the Owner to pay the purchase price of the Property to the Authority, the Owner shall execute and deliver a promissory note, in an amount not to exceed \$5,060,000 and bearing interest at the Applicable Federal Rate (as defined in the Internal Revenue Code of 1986) for a term not to exceed 45 years. To secure the obligation of the Owner under the note, the Owner shall execute and deliver a subordinate mortgage on the Property.

Section 1.05 Approval of CHA Loan. The Authority shall make a loan to the Owner. To evidence the obligation of the Owner to repay the loan to the Authority, the Owner shall execute and deliver one or more promissory notes, in an aggregate amount not to exceed \$3,162,500 and bearing interest at zero percent per annum for a term not to exceed 45 years. To secure the obligation of the Owner under the note, the Owner shall execute and deliver one or more subordinate mortgages on the Property and other security documents. The aggregate amount of such loan for this and the other two City/State projects that will be funded from insurance fund moneys shall not exceed \$10,000,000.

Section 1.06 Approval of CHA Loan of DCEO Moneys. The Authority may, if so determined by the Chief Executive Officer, make a loan to the Owner out of or otherwise apply money it receives from the Illinois Department of Commerce and Economic Opportunity (“DCEO”). To evidence the obligation of the Owner to repay any such loan to the Authority, the Owner shall execute and deliver a promissory note, in an amount not to exceed \$2,000,000 and bearing interest at zero percent per annum for a term not to exceed 45 years. To secure the obligation of the Owner under any such note, the Owner shall execute and deliver a subordinate mortgage on the Property and other security documents.

PART II

Approval of Bond and Note Financing

Section 2.01 Forms of Bond Documents. There have been presented to this Board forms of the following documents (such documents collectively referred to as the “Bond Documents”):

<u>Exhibit</u>	<u>Document</u>	<u>Other Party</u>
C	Trust Indenture	JP Morgan Trust Company, National Association, as Trustee
D	Financing Agreement	Owner, Trustee and Lender
E	Escrow Agreement	Trustee, Escrow Agent and Owner
F	Regulatory Agreement and Declaration of Restrictive Covenants	Trustee and Owner
G	Bonds Tax Agreement	Owner

Section 2.02 Forms of Note Documents. There have also been presented to this Board forms of the following documents (such documents collectively referred to as the “Note Documents”):

<u>Exhibit</u>	<u>Document</u>	<u>Other Party</u>
H	Note Issuance Agreement	Bank of America, N.A., as Noteholder and Fiscal Agent
I	Loan Agreement	Owner
J	Note	Bank of America, N.A., as Noteholder
K	Assignment and Security Agreement	Bank of America, N.A., as Noteholder
L	Note Tax Agreement	Owner

Section 2.03 Appointment of Fiscal Agent. Bank of America N.A. is hereby appointed as Fiscal Agent under the Note Issuance Agreement.

Section 2.04 Authorization of Bonds. For the purpose of providing funds to pay, or to reimburse the Owner for the payment of, a portion of the costs of the rehabilitation of the Property, the Authority does hereby authorize the issuance of not to exceed \$7,480,000 aggregate principal amount of the Bonds. The Bonds shall be dated, shall mature on such dates (not beyond January 1, 2050) shall be in such principal amounts, shall bear interest at such rate or rates, not to exceed 10 percent per annum, shall be payable on such dates, all as shall be approved by the Chief Executive Officer or Chief Financial Officer, at the time of the execution and delivery of the Bond Purchase Agreement (as hereinafter described). The Bonds shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Indenture as executed and delivered by the Authority as herein provided.

Section 2.05 Source of Payment of Bonds. The Bonds, together with interest thereon shall be secured by the GNMA Securities (as defined in the Indenture) and the CHA Funds (as defined in the Escrow Agreement) and shall be payable solely from the revenues and receipts derived from the GNMA Securities and the CHA Funds as provided in the Indenture and the Escrow Agreement (except to the extent paid out of moneys attributable to the Bond proceeds and other funds established under the Indenture or the income from the temporary investment thereof), and shall be a valid claim of the owners thereof only against the funds and other moneys held by the Trustee and the revenues and receipts derived from the GNMA Securities under the Indenture and the CHA Funds under the Escrow Agreement.

Section 2.06 Limited Obligations of the Authority. The Bonds and the interest thereon are limited, not general, obligations of the Authority, payable solely from the Trust Estate under the Indenture. The Bonds are not a debt of any city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority, and no city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority shall be liable thereon, nor in any event shall the Bonds be payable by the Authority out of any funds or properties other than those of the Authority pledged pursuant to the Indenture. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the faith and credit nor the taxing power of the United States of America, the Authority, the City, the State of Illinois or any other political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Bonds or other costs incident thereto. The Bonds are not a debt of the United States of America or any agency thereof, and are not guaranteed by the United States of America or any agency thereof.

Section 2.07 Execution and Delivery of Bonds. The Bonds shall be executed on behalf of the Authority in the manner provided in the Indenture. If any of the officers who shall have signed or sealed any of said Bonds shall cease to be such officers of the Authority before the Bonds so signed and sealed shall have been actually authenticated by the Trustee or delivered by the Authority, such Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such Bonds had not ceased to be such officer or officers of the Authority; and also any such Bonds may be signed and sealed on behalf of the Authority by those persons who, at the actual date of the execution of such Bonds, shall be the officers of the Authority so designated in the Indenture, although at the nominal date of such Bonds any such person shall not have been such officer of the Authority.

Section 2.08 Approval of Bond Documents. The forms of the Bond Documents presented to this meeting are hereby approved. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any

Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver the Bond Documents with such changes, insertions and completions therein as shall be approved by such persons executing such documents (subject to the limitations set forth herein), their execution to constitute conclusive evidence of the Board's approval of such changes, insertions and completions, and the Secretary or any Assistant Secretary is hereby authorized and directed to affix to the Bond Documents the corporate seal of the Authority. Such officers are further authorized and directed to execute such instruments, agreements and documents as may be required by HUD or FHA in connection with the Mortgage Loan (as defined in the Indenture) or the GNMA Securities.

Section 2.09 Sale of Bonds. (a) The Bonds shall be sold and delivered to, or upon the direction of, one or more underwriters (the "Underwriters") selected by the Chief Executive Officer or Chief Financial Officer, subject to the terms and conditions of a bond purchase agreement related to the Bonds (the "Bond Purchase Agreement"). The Chief Executive Officer or Chief Financial Officer is authorized to execute and deliver on behalf of the Authority the Bond Purchase Agreement in substantially the form attached hereto as Exhibit M, with appropriate revisions to reflect the terms and provisions of the Bonds, and with such other revisions in text as the Chief Executive Officer or Chief Financial Officer shall determine are necessary or desirable in connection with the sale of the Bonds. The execution of the Bond Purchase Agreement by the Chief Executive Officer or Chief Financial Officer shall be deemed conclusive evidence of the approval of this Board of the terms provided in the Bond Purchase Agreement. The compensation paid to the Underwriters in connection with the sale of the Bonds shall not exceed 3 percent of their aggregate principal amount. In connection with the offer and delivery of the Bonds, the Chief Executive Officer or Chief Financial Officer, and such other officers of the Authority as may be necessary, are authorized to execute and deliver such instruments and documents as may be necessary to implement the transaction and to effect the issuance and delivery of the Bonds. Any limitation on the amount of Bonds issued pursuant to this Resolution as set forth herein shall be exclusive of any original issue discount or premium.

(b) The Chief Executive Officer or Chief Financial Officer is hereby authorized to cause to be prepared the form of Preliminary Official Statement describing the Bonds. The Preliminary Official Statement shall be in substantially the form attached hereto as Exhibit N, together with such changes thereto and modifications thereof as shall be approved by the Chief Executive Officer or Chief Financial Officer. The distribution of the Preliminary Official Statement to prospective purchasers and the use thereof by the Underwriters in connection with the offering of the Bonds are hereby authorized and approved. The Chief Executive Officer or Chief Financial Officer is hereby authorized to permit the distribution of a final Official Statement, in substantially the form of the Preliminary Official Statement, with such changes, omissions, insertions and revisions thereto and completions thereof as the Chief Executive Officer or Chief Financial Officer shall deem advisable. The Chief Executive Officer or Chief Financial Officer is hereby authorized to execute and deliver the final Official Statement to the Underwriters in the name and on behalf of the Authority, the execution of such final Official Statement to constitute conclusive evidence of the approval of such officer of such changes and completions.

(c) To evidence the exercise of the authority delegated to the Chief Executive Officer or Chief Financial Officer by this Resolution, the Chief Executive Officer or Chief Financial Officer is hereby directed to execute and file with the Secretary in connection with the sale of the Bonds a certificate setting forth the determinations made pursuant to the authority granted herein, which certificate shall constitute conclusive evidence of the proper exercise by her of such authority. Contemporaneously with the filing of such certificate, the Chief Executive Officer or Chief Financial Officer shall also file with the Secretary one copy of the final Official Statement and the Bond Purchase Agreement in connection with the Bonds. Each filing shall be made as soon as practicable subsequent to the execution of the Bond Purchase Agreement. The Secretary shall direct copies of such filings to this Board.

Section 2.10 Public Hearing. This Board hereby directs that the Bonds shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied, and that no contract, agreement or commitment to issue the Bonds shall be executed or undertaken prior to satisfaction of the requirements of said Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. All such actions taken prior to the enactment of this Resolution are hereby ratified and confirmed.

Section 2.11 Authorization of Note. For the purpose of providing funds to pay, or to

reimburse the Owner for the payment of, a portion of the costs of the rehabilitation of the Property, the Authority does hereby authorize the issuance of the Note, which shall be in a principal amount not to exceed \$2,386,515. The Note shall be dated, shall mature on such date (not beyond January 1, 2010) and in such principal amount, and shall bear interest, except as set forth in the Note Issuance Agreement, at an interest rate of not to exceed the Maximum Rate (as defined in the Note Issuance Agreement), and shall be payable on such date, all as shall be approved by the Chief Executive Officer or Chief Financial Officer at the time of the execution and delivery of the Note Issuance Agreement. The Note shall be subject to redemption prior to maturity upon the terms and conditions set forth in the Note Issuance Agreement as executed and delivered by the Authority as herein provided.

Section 2.12 Source of Payment of Note. The Note, together with interest thereon, shall be secured and payable solely as provided in the Note Issuance Agreement, and shall be a valid claim of the owner thereof only against the funds and other moneys held under or pursuant to the Note Issuance Agreement and the other mortgage, pledge and security documents executed and delivered in connection with the Note.

Section 2.13 Limited Obligations of Authority. The Note and the interest thereon is a limited, not general, obligation of the Authority, payable solely from revenues, receipts and security pledged therefore in the Note Issuance Agreement and the other mortgage, pledge and security documents executed and delivered in connection with the Note. The Note is not a debt of any city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority, and no city, village, incorporated town or county, or the State of Illinois or any political subdivision thereof other than the Authority shall be liable thereon, nor in any event shall the Note be payable by the Authority out of any funds or properties other than those of the Authority pledged pursuant to the Note Issuance Agreement. The Note does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction. Neither the Authority, the City, the State of Illinois nor any other political subdivision thereof shall be obligated to pay the principal amount of, premium, if any, or interest on the Note or other costs incident thereto except from the payments pledged with respect thereto and certain reserve funds established in connection therewith. Neither the faith and credit nor the taxing power of the United States of America, the Authority, the City, the State of Illinois or any other political subdivision thereof is pledged to the payment of the principal of, premium, if any, or interest on the Note or other costs incident thereto. The Note is not a debt of the United States of America or any agency thereof, and is not guaranteed by the United States of America or any agency thereof.

Section 2.14 Execution and Delivery of Note. The Note shall be executed on behalf of the Authority in the manner provided in the Note Issuance Agreement. If any of the officers who shall have signed or sealed the Note shall cease to be such officers of the Authority before the Note so signed and sealed shall have been actually delivered by the Authority, the Note nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed the Note had not ceased to be such officer or officers of the Authority; and the Note may be signed and sealed on behalf of the Authority by those persons who, at the actual date of the execution of the Note, shall be the officers of the Authority designated in the Note Issuance Agreement, although at the nominal date of the Note any such person shall not have been such officer of the Authority.

Section 2.15 Approval of Note Documents. The forms of the Note Documents presented to this meeting are hereby approved. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute, acknowledge and deliver the Note Documents, with such changes, insertions and completions therein as shall be approved by such persons executing such documents (subject to the limitations set forth herein), their execution to constitute conclusive evidence of such approval, and the Secretary or any Assistant Secretary is hereby authorized and directed to affix to the Note Documents the corporate seal of the Authority. Such officers are further authorized and directed to execute such instruments, agreements and documents as may be required by the holder of the Note.

Section 2.16 Sale of Note. (a) The Chief Executive Officer or Chief Financial Officer is hereby authorized to sell the Note to Bank of America, N.A., or its designee, as contemplated by the Note Issuance Agreement presented to this meeting at a purchase price of 100 percent of the principal amount thereof less an origination fee not to exceed 3% of the principal amount of the Note.

(b) To evidence the exercise of the authority delegated to the Chief Executive Officer

or Chief Financial Officer by this Resolution, the Chief Executive Officer or Chief Financial Officer is hereby directed to execute and file with the Secretary in connection with the sale of the Note a certificate setting forth the determinations made pursuant to the authority granted herein, which certificate shall constitute conclusive evidence of the proper exercise by her of such authority. Contemporaneously with the filing of such certificate, the Chief Executive Officer or Chief Financial Officer shall also file with the Secretary one copy of the Note Issuance Agreement as executed and delivered by the Authority. Such filing shall be made as soon as practicable subsequent to the execution of the Note Issuance Agreement. The Secretary shall direct copies of such filings to this Board.

Section 2.17 Public Hearing. This Board hereby directs that the Note shall not be issued unless and until the requirements of Section 147(f) of the Code, including particularly the approval requirement following any required public hearing, have been fully satisfied, and that no contract, agreement or commitment to issue the Note shall be executed or undertaken prior to satisfaction of the requirements of said Section 147(f) unless the performance of said contract, agreement or commitment is expressly conditioned upon the prior satisfaction of such requirements. All such actions taken prior to the enactment of this Resolution are hereby ratified and confirmed.

PART III

Miscellaneous

Section 3.01 Approval of Right of First Refusal Agreement. The form of Right of First Refusal Agreement with respect to the Property presented to this meeting and attached hereto as Exhibit O is approved in substantially the form presented to this meeting, and the officers of the Authority designated in the Right of First Refusal Agreement are authorized to execute and deliver the Right of First Refusal Agreement on behalf of the Authority in substantially the form presented to this meeting, together with such changes and revisions as shall be approved by the officers of the Authority executing the same, their approval to constitute conclusive evidence of this Board's approval of such changes and revisions.

Section 3.02 Modification of Grant Agreement. The Chief Executive Officer or the Chief Financial Officer of the Authority are authorized to enter into one or more amendments to the Grant Agreement to reflect the ownership of the Property and the use of the proceeds of the Grant to assist in the rehabilitation of the Property.

Section 3.03 Investment Agreements. The Chief Executive Officer or Chief Financial Officer of the Authority is hereby authorized and directed to execute investment agreements covering all or a portion of the proceeds of the Bonds and other amounts held under the Indenture. Any such agreement shall constitute a permitted investment under Illinois law.

Section 3.04 Immunity of Officers, Employees and Members of Authority. No recourse shall be had for the payment of principal of or interest on any of the Bonds or the Note, or for any claim based on the Bonds or Note, or upon any obligation, covenant or agreement in this Resolution contained against any past, present or future commissioner, officer, director, member, employee or agent of the Authority, or of any successor public corporation, as such, either directly or through the Authority or any successor public corporation, under any rule of law or equity, statute, ordinance or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such commissioners, officers, directors, members, employees or agents as such is expressly waived and released by this Resolution as a condition of and consideration for the passage of this Resolution and the issuance of such Bonds and Note.

Section 3.05 Performance Provisions. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized and directed to do any and all things necessary to effect the performance of all obligations of the Authority under and pursuant to this Resolution and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Resolution, including, but not limited to, the exercise following the delivery date of any of the Bonds or the Note of any power or authority delegated to such official of the Authority under this Resolution with respect to the Bonds or the Note upon the initial issuance thereof, but subject to any limitations on or restrictions of such power or authority as herein set forth. The Chairman, Chief Executive Officer, Chief Financial Officer, the Executive Advisor to the Board, the Secretary and any Assistant Secretary of the Authority and the other officers, agents and employees of the Authority are hereby further authorized, empowered and directed for and on behalf of the Authority, to execute and deliver all papers,

documents, certificates and other instruments that may be required to carry out the authority conferred by this Resolution or to evidence said authority.

Section 3.06 Allocation of Volume Cap. In accordance with the provisions of Section 146 of the Code, the Authority shall accept an allocation of volume cap from the City to the issuance of the Bonds and the Note. The Chief Executive Officer or Chief Financial Officer of the Authority are authorized to enter into an intergovernmental agreement with the City relating to volume cap.

Section 3.07 Severability. It is the intention of this Board that, if any Article, Section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such Article, Section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

Section 3.08 Prior Inconsistent Resolutions. If any provision of this Resolution is in conflict with or inconsistent with any resolutions or parts of resolutions or the proceedings of the Authority in effect as of the date hereof, the provisions of this Resolution shall supersede any conflicting or inconsistent provision to the extent of such conflict or inconsistency.

Section 3.09 Effective Date. This Resolution shall be in full force and effect immediately upon its passage as by law provided.

The Omnibus Motion to adopt resolutions for Items C1 through C6 was seconded by Commissioner Ivers and the voting was as follows:

Ayes: Sharon Gist Gilliam
Hallie Amey
Earnest Gates
Dr. Mildred Harris
Michael Ivers
Lori Healey
Martin Nesbitt
Carlos Ponce
Sandra Young

Nays: None

There being no questions or discussion, the Chairperson thereupon declared said Motion carried and said resolutions adopted. The Finance & Audit Committee report was also accepted in total.

There being no further business to come before the Commissioners, upon Motion made, seconded and carried, the meeting of the Board of Commissioners was adjourned.

Sharon Gist Gilliam
Chairperson

Lee Gill, Custodian and
Keeper of Records